UNITED
NATIONS

E

Economic and Social
Council

PROVISIONAL

E/1994/SR.8
14 June 1994
ENGLISH
ORIGINAL: SPANISH

Special Session

PROVISIONAL SUMMARY RECORD OF THE 8th MEETING

Held at Headquarters, New York,
on Monday, 6 June 1994, at 3 p.m.

President: Mr. MARKER (Pakistan)
(Acting President)

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ADOPTION OF THE AGENDA

HUMAN RIGHTS QUESTIONS

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The meeting was called to order at 3.25 p.m.

ADOPTION OF THE AGENDA (E/1994/72)

The CHAIRMAN drew attention to the provisional agenda of the Special Session contained in document E/1994/72.

The agenda was adopted.

HUMAN RIGHTS QUESTIONS (E/1994/24/Add.2 and E/1994/L.8)

The CHAIRMAN drew the Council's attention to the report of the Commission on Human Rights on its third special session (E/1994/24/Add.2), chapter I of which recommended the adoption by the Council of a draft decision entitled "The situation of human rights in Rwanda". In that decision the Council was requested to endorse resolution S-3/1 adopted by the Commission on Human Rights. He also drew the Council's attention to the statement of the administrative and programme budget implications of that resolution (E/1994/L.8) and proposed that, given the urgency of the matter and time constraints, the Council should immediately adopt the draft decision.

Mr. VASSILAKIS (Greece), speaking on behalf of the European Union in explanation of vote before the vote, said that the European Union stressed that all persons who perpetrated, incited or authorized genocidal acts and other violations of international humanitarian law were individually responsible and would have to answer personally for those acts and violations. The international community should spare no effort to end that tragedy; hostilities should stop in order to resume the negotiation process started at Arusha.

The European Union called upon the authorities in Rwanda to condemn publicly and put an end to the human rights violations committed by the militia, elements of the armed forces and the presidential guard, and to ensure that the human rights of all individuals within their jurisdiction, irrespective of ethnic origins, were fully respected. It also called upon the Rwandese Patriotic Front to prevent persons under its command from committing human rights abuses and violations of international humanitarian law and urged all parties to cooperate with the United Nations Assistance Mission to Rwanda (UNAMIR).

The European Union welcomed the appointment of Mr. Réné Degni Segui as Special Rapporteur of the Commission on Human Rights for Rwanda and the

promptness with which the High Commissioner on Human Rights undertook a mission to Rwanda and neighbouring countries. The Economic and Social Council must endorse the mandate of the Special Rapporteur in order to enable him to visit Rwanda forthwith. The European Union called upon all parties to the conflict to cooperate with the Special Rapporteur in the fulfilment of his mandate.

The European Union was of the opinion that the Special Rapporteur needed to be assisted by a team of human rights field officers acting in close cooperation with UNAMIR and United Nations agencies and programmes operating in Rwanda and urged that the appropriate financial and human resources should be provided without delay for the implementation of the activities envisaged under the resolution. The European Union was ready to increase its humanitarian aid and would continue its immediate assistance to refugees in the neighbouring countries. It would also dispatch a mission at the Development Ministers level as soon as possible to the countries neighbouring Rwanda with a view to evaluating the humanitarian situation following the influx of the refugees.

Mr. TROTTIER (Canada) said that his country, which had participated actively in the convening and holding of the special session of the Commission on Human Rights, felt that everything possible must be done to bring an end to the suffering of the people of Rwanda. In providing for the appointment of a Special Rapporteur, the resolution adopted by the Commission ensured that the human rights machinery of the United Nations was fully engaged in the overall effort of the international community to address that tragedy. The support of the Economic and Social Council was essential for the Special Rapporteur to begin his task immediately.

Canada commended the initiative and courage that the High Commissioner had shown in that most difficult situation. His activities not only validated the creation of the post which he filled but also demonstrated the wisdom of selecting someone who had proved to be so competent.

The Canadian delegation believed that the overwhelming support exhibited by States from all regions for the special session of the Commission on Human Rights as well as the massive cosponsorship of the resolution on Rwanda and the unanimous adoption of that resolution demonstrated the international community's desire to address the human rights dimension of the tragedy in Rwanda and urged the Economic and Social Council to endorse without delay the resolution adopted by the Commission on Human Rights.

Mr. ORDZHONIKIDZE (Russian Federation) said that the international community must concentrate its efforts on stopping the bloodshed in Rwanda and ensuring that it did not recur. Russia participated actively in measures designed to bring an end to the bloody war in Rwanda and had sponsored Security Council resolution 918 (1994) of 17 May 1994 designed to achieve a peaceful settlement to the conflict. The Russian Federation had also supported the initiative of the High Commissioner for Human Rights and of the Government of Canada to convene the special session of the Commission on Human Rights; the resolution adopted by the Commission was a detailed plan of action of the international community.

In his delegation's view, it was extremely important to appoint a Special Rapporteur for an initial period of one year to investigate the human rights situation in Rwanda. It was also very important to give specific powers to the High Commissioner to deal with the situation in Rwanda so as to ensure, in particular, that activities designed to resolve the conflict and bring about peace included a strong human rights component; that process must also be effectively supported through a broad-based human rights programme. It was also significant that the Commission had issued a strong warning to those responsible for violations of human rights and of international humanitarian law, including acts of genocide, that they would have to answer for their acts.

The Russian Federation strongly rejected attempts to settle the conflict in Rwanda by force and supported the immediate cessation of hostilities and acts of violence in Rwanda. It was also willing to coordinate its actions at the multilateral and bilateral levels with all members of the international community, the Organization of African Unity and the African States.

His delegation urged all States to unanimously support the recommendation that the Economic and Social Council should adopt resolution S-3/1 of the Commission on Human Rights of 25 May 1994. However, they should not lose sight of the administrative and programme budget implications given the Organization's strained financial situation, and must ensure that the implementation of effective measures would not involve the disbursement of huge sums of money.

Mr. BLANEY (United States of America) said that his delegation fully supported the resolution adopted by the Commission on Human Rights at its special session. The international community was confronted with urgent tasks such as how to stop the killing, achieve a cease-fire, provide humanitarian

relief, facilitate meaningful negotiations and assist in the investigation of human rights atrocities. It must also consider steps that would permit long-term reconciliation and repair the damage done by the carnage.

That was why the United States Government had strongly supported the High Commissioner for Human Rights' recommendation to convene a special session of the Commission on Human Rights on Rwanda. His delegation hailed the position taken by the leaders of Cameroon, Canada and Nigeria during the special session as well as the significant contributions made by the Security Council, the Department of Humanitarian Affairs, the United Nations High Commissioner for Refugees, the United Nations High Commissioner for Human Rights and the Special Representative in addressing the tragedy in Rwanda. It also commended the efforts of the International Committee of the Red Cross in protecting civilians and displaced persons inside Rwanda.

The United States strongly supported the resolution placing an arms embargo on Rwanda and the expansion of UNAMIR to facilitate the provision of humanitarian assistance to and the protection of threatened civilian populations. The United States had provided over $50 million in humanitarian relief to the subregion and called upon all Governments to consider what they could do in support of humanitarian relief operations.

The United States agreed that the human rights aspect should be part of measures adopted on Rwanda, because only thus could the fighting be ended in a way that would carry over into the future. His delegation called for the immediate dispatch of a team of human rights monitors under United Nations auspices not only to gather information on the ground, but by their very presence to facilitate the negotiations and increase the probability that the parties would lay down their arms. The goal, nevertheless, should be to demand accountability and responsibility for gross violations of human rights, both in Rwanda and elsewhere in the world. The international community must seize the moment to reaffirm its commitment to the universality of human rights and the renunciation of political violence and ethnic hatred. His delegation regretted that nearly two weeks had been lost in implementing that vital mandate of the Commission on Human Rights, and recommended that ways should be found to expedite the process, particularly in emergency situations.

Mr. RAMIREZ de ESTENOZ (Cuba) reiterated the concern of Cuba over the tragic events in Rwanda, although it believed that in the first place, the

people of Rwanda must try to find a solution to the conflict themselves. That solution required not only an immediate cease-fire and the beginning of a process of dialogue and negotiation among the parties to the conflict, but also the full implementation of the Arusha Peace Agreement and the recognition of the important role of the Organization of African Unity and its member States.

His delegation was faced with a major dilemma: whether to adopt the recommendation to take a decision and act to stop gross violations of human rights, thereby agreeing with concepts and linkages imposed upon us that distorted the mandate and functions of the various United Nations bodies under its Charter, or to reject the recommendation and remain silent in the face of human suffering and death. His delegation felt compelled to act and condemned the tragedy without hesitation, but it also felt compelled to denounce the double standard of those who, on the one hand, evaded any formal commitment in regions outside their strategic interests, and on the other, attempted to reap political dividends from extremely serious situations, thus establishing dangerous precedents that compromised the credibility and procedures of United Nations bodies.

The linkage that was being established in resolution S-3/1 between the Commission on Human Rights and the Security Council was totally unacceptable to his delegation, as were the references to controversial concepts of preventive diplomacy which were being endorsed. The Member States should be aware that it was not an isolated case by far; rather, it fit into an overall strategy that attempted to place certain organs and the United Nations itself above the sovereignty of its Member States.

Cuba would not oppose the adoption by consensus of the recommendation of the Commission on Human Rights to the Council, but in other circumstances it would have had difficulty in adopting preambular paragraphs 9, 19, 20 and 21 and operative paragraphs 11, 23 and 24.

Mr. KHAN (Pakistan) said that his Government had followed the massive violations of human rights in Rwanda with great anguish and had made efforts in the Security Council to halt the orgy of blood-letting. Unfortunately, the situation had continued to worsen. The request of the Government of Canada to hold a special session of the Commission on Human Rights had been very timely. The majority of the members of the Commission had demonstrated that the international community would not tolerate massive violations of human rights

anywhere in the world, and, by strongly condemning all human rights violations in Rwanda, the Commission had not only underlined the magnitude of the problem but had set a precedent for prompt international action in a country being consumed by the flames of ethnic and political conflict. The special session had also served as a catalyst in facilitating a meaningful dialogue between the Commission and the Security Council in order to coordinate United Nations action to protect innocent civilian lives. By affirming individual responsibility for the human rights violations in Rwanda, the Commission had further strengthened the concept of international accountability. Pakistan fully supported the decision to designate a special rapporteur and to use the existing human rights mechanism. The Government of Pakistan welcomed the appointment of Mr. Réné Degni Segui as Special Rapporteur and was confident that he would supplement and complete the bold mission of the High Commissioner for Human Rights and fulfil the obligation entrusted to him by the international community. Therefore, it fully endorsed the draft decision and urged its prompt adoption by the Economic and Social Council.

Ms. RAVN (Norway), speaking on behalf of the Nordic countries, said that the people of Rwanda were victims of meaningless violence and immeasurable suffering, and expressed their full support for the immediate implementation of Security Council resolutions 912 (1994) and 918 (1994) which called upon all parties to the conflict to cease hostilities immediately and agree to a cease-fire and an end to the violence. The Nordic countries commended the involvement of the High Commissioner for Human Rights and gave their full support to the recommendations presented in his report. They welcomed the appointment of Mr. Réné Degni Segui as Special Rapporteur to investigate the situation of human rights in Rwanda and commended the mandate given to him.

The Nordic countries expressed satisfaction that in his mandate, the Special Rapporteur was requested to gather and compile systematically information on possible violations of human rights and to make that information available to the Secretary-General. It was important to determine individual responsibility and to hold accountable those who had committed or contributed to the abuses. That would be the responsibility of national judicial systems, but the events in Rwanda once again underlined the need to create a permanent international criminal tribunal.

Therefore, she hoped that the Economic and Social Council, at its special session, would endorse the decision of the Commission on Human Rights regarding the establishment of the post of Special Rapporteur for Rwanda and that the necessary financial and human resources would be provided for the implementation of the Commission's resolution. The human rights mechanisms involved should be linked to a political process and to peace-keeping efforts in Rwanda. Post-conflict reconstruction must ensure the rule of law and the protection of minorities in the country.

Ms. HORIUCHI (Japan) said that her Government was deeply concerned about the situation in Rwanda, which had resulted in the killing of innocent people and flagrant violations of fundamental human rights. It strongly condemned those violations and hoped that respect for human rights would be restored immediately.

It welcomed the timely convening of the special session of the Commission on Human Rights on the situation in Rwanda and the resolution adopted by consensus in the Commission. The initiative of the Government of Canada in proposing the special session should be noted, as well as the efforts of African countries which had contributed to the adoption of the resolution by consensus.

Her delegation welcomed the timely appointment of Mr. Degni Segui as Special Rapporteur and hoped that he would visit Rwanda as early as possible and would report to the Commission in accordance with the resolution. For its part, her Government was ready to support fully the efforts of the Special Rapporteur and hoped that the Economic and Social Council would endorse the resolution adopted by the Commission on Human Rights during the current special session and that respect for human rights would be restored in Rwanda in the near future.

Ms. TOMKINSON (Australia) said that the Government of Australia welcomed the appointment of a Special Rapporteur to investigate, as a matter of urgency, the situation of human rights in Rwanda and to gather information on violations of human rights, international humanitarian law and crimes against humanity, and supported the appeal to the High Commissioner for Human Rights that all future United Nations activities regarding the conflict in Rwanda should include a human rights component. The immediate need was to put an end to flagrant violations of human rights; therefore, the Commission on Human Rights should play its role in an effective and coordinated manner within the United Nations system.

The PRESIDENT said that, if he heard no objection, he would take it that the Council wished to adopt the draft decision contained in chapter I of the report of the Commission on Human Rights (E/1994/24/Add.2).

It was so decided.

Ms. FENG Cui (China) said that her delegation was deeply concerned by the conflict in Rwanda and had joined the consensus on the decision that the Council had just adopted. In its opinion, both parties should respect the international agreements on human rights and the Geneva Conventions and should put an end to the killing of civilians and cooperate with the agencies providing humanitarian assistance for the protection of the population. in order to avoid the violation of fundamental freedoms and human rights, both parties should agree to a cease-fire that would allow a negotiated solution to the conflict.

As for the content of the decision that the Council had just adopted, her delegation had already expressed its position during the third special session of the Commission, and its position had not changed.

The PRESIDENT declared the special session closed.

The meeting rose at 4.10 p.m.

UNITED
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Economic and Social Council

PROVISIONAL

For participants only

E/1994/SR.9
7 July 1994

ORIGINAL: ENGLISH

Substantive session for 1994

High-level segment

PROVISIONAL SUMMARY RECORD OF THE 9th MEETING

Held at Headquarters, New York,
on Monday, 27 June 1994, at 10 a.m.

President: Mr. BUTLER (Australia)

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Opening statement by the President

Adoption of the agenda and other organizational matters

Policy dialogue and discussion on important developments in the world economy and international economic cooperation with heads of multilateral financial and trade institutions of the United Nations system

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The meeting was called to order at 10.20 a.m

OPENING STATEMENT BY THE PRESIDENT

The PRESIDENT said that, in implementing major reforms of the Economic and Social Council, two basic truths must be borne in mind: that Member States had pledged themselves to cooperation under the Charter of the United Nations and that the United Nations system must not be self-contained but had an international obligation to serve concrete, clearly stated purposes. Those purposes were embodied in the Charter, which affirmed Member States' determination to promote social progress and better standards of life in larger freedom and to employ international machinery for the promotion of the economic and social advancement of all peoples. They were set forth in the Universal Declaration of Human Rights, which affirmed that everyone had the right to a standard of living adequate for the health and well-being of himself and of his family. Under Articles 55 and 56 of the Charter, Member States pledged international, economic and social cooperation in order to achieve, inter alia, higher standards of living, full employment and conditions of economic and social progress and development. Rather than dwelling on what had happened in the past, it would be wise to look to the future, taking into account the magnitude of the tasks to be accomplished and the change in circumstances which provided the Organization an unprecedented opportunity to shape a better world.

The abiding characteristic of the new world was interdependence. The major threats to the security of life and the standard of living had certain common characteristics: they were large and global in scope and effect; they could not be dealt with by military means; and they could not be resolved by States acting alone. In such circumstances, the United Nations - whose universality and Charter made it unique - had the only real capacity to forge political consensus on overall policy. The Organization, however, had two inherent limitations. First, the resources available to it represented but a tiny fraction of the total resources available for improving standards of

(The President)

living. Second, in the past it had tended to formulate decisions which it could not enforce, thus risking harm to the Organization's reputation.

Such problems could be resolved by a practical approach which capitalized on the Organization's ability to forge political consensus. A sound analysis of contemporary problems combined with inventive, sensitive solutions would encourage the contribution of additional resources. A common purpose must be identified between those who served Governments and the United Nations and those responsible for the allocation of resources. An inclusive approach to governance was also vital. The United Nations must truly be a centre for harmonizing the actions of nations, as stated in Article 1 (4) of its Charter. He stressed that the Article referred not to thoughts or feelings but rather to actions.

ADOPTION OF THE AGENDA AND OTHER ORGANIZATIONAL MATTERS (E/1994/100)

The PRESIDENT noted that the current session marked the culmination of an extensive process of reform whose final phase was to be implemented in accordance with General Assembly resolution 48/162. He had held a number of informal consultations in order to reach agreement on recommendations to be made on all procedural and organizational matters included under the agenda item (the new segments of the Council under operational activities and the general segment as well). He would provide further details of the results of the consultations when the Organization of work for the substantive session was considered.

The agenda was adopted.

POLICY DIALOGUE AND DISCUSSION ON IMPORTANT DEVELOPMENTS IN THE WORLD ECONOMY AND INTERNATIONAL ECONOMIC COOPERATION WITH HEADS OF MULTILATERAL FINANCIAL AND TRADE INSTITUTIONS OF THE UNITED NATIONS SYSTEM

The PRESIDENT said that he had drawn the panellists' attention to the fact that the main topic of the high-level segment was "An agenda for development" (A/48/935) and had requested them to focus on, inter alia, the role of their institutions in that regard, action towards strengthening international economic cooperation for development through partnership and the implications of the completion of the Uruguay Round of multilateral trade negotiations for the world economy.

Mr. PRESTON (President of the World Bank) noted that despite the progress achieved by the United Nations system in the past 50 years - a 50 per cent increase in life expectancy, a 50 per cent decrease in infant mortality and the doubling of per capita incomes - over 1 billion people still

(Mr. Preston, World Bank)

lived in absolute poverty. The World Bank projected that the annual growth rate of the developing countries would reach 5 per cent in the coming decade; none the less, great disparities would persist. In sub-Saharan Africa, real per capita income might even drop below its 1980 level. While the developing countries would benefit from a more favourable external environment in terms of lower interest rates and expanding world trade, they would also face greater competition. In such circumstances, they must have the capacity to respond quickly to change.

The backdrop for the task of development had changed in many ways. First, the developing world had become increasingly diverse. For example, the needs of the very poor nations of sub-Saharan Africa and South Asia were different from those of the successful middle-income countries of East Asia and Latin America or the transition economies of Eastern Europe and the former Soviet Union. Such increased diversity called for a greater degree of client orientation; accordingly, the World Bank had begun to use country-specific strategies. The increasing integration of the global economy was another sign that the developing countries had become stronger; they were expected to account for about one third of the growth in the world gross domestic product over the next five years. The completion of the Uruguay Round would further enhance their opportunities. In that context, development institutions were helping countries to become more flexible and productive in order to be able to compete in world markets.

The surge in private capital flows - mainly to about 20 middle-income countries which had established sound policy and investment climates - was a third major structural change. Net private flows to developing countries had reached a 10-year high in 1993, totalling $113 billion (about twice official aid flows). Development institutions were seeking to consolidate the flow of private capital to those countries and, at the same time, create an environment that would attract private capital to other, mostly low-income countries. A fourth major trend was the reduction of aid budgets in many donor countries as a result of fiscal constraints and uncertainties about the effectiveness of aid. It was vital for both donor and recipient Governments to make better use of scarce resources and to promote development more strongly to their legislative bodies and the public.

(Mr. Preston, World Bank)

It would also be important to heed a number of key lessons learned from past experience, namely, that growth and investment in people were essential for effective poverty reduction; that policy mattered more than projects and that financing and technical assistance were not in themselves sufficient to sustain development; and that, in each country, government commitment and broad-based ownership and support for government programmes were crucial. Lessons had also been learned about the importance of the private sector in increasing income and jobs; about sustainability and the complementarity of environmental protection and economic development; and about the importance of sound governance and institutional structures.

The World Bank had responded to the new challenges by according greater priority to various aspects of poverty reduction. Its investments in people had increased from an average of 5 per cent of its lending in the early 1980s to 17 per cent in fiscal year 1994; its lending for environmental sustainability had reached $2 billion in 1993; and private sector development had become a major theme of its work. In placing renewed emphasis on the quality of its products, the Bank had just completed a review of the follow-up to its 1992 report on Portfolio Management. It was taking steps to improve its cost-effectiveness and its capacity to meet differing needs by reducing bureaucratic procedure and acquiring new technical skills. The Bank had also become a more open institution through greater disclosure of information and the introduction of an independent Inspection Panel. In the belief that partnership was central to change, the Bank was strengthening its cooperation with the United Nations and with a number of specialized agencies, including the United Nations Development Programme and the United Nations Children's Fund. It was also planning a series of presentations at the Bank by the heads of United Nations agencies and programmes.

Mr. CAMDESSUS (Managing Director of the International Monetary Fund) noted the economic challenges that must still be addressed before "high-quality growth" and sustainable development could be achieved. They included extreme poverty in the developing world, particularly in Africa; the low standard of living in many parts of the world; the fragility of growth prospects; intolerable levels of unemployment in many industrialized countries; and the need for stabilization and structural changes in transition economies.

(Mr. Camdessus, IMF)

The activities of the International Monetary Fund in recent months had been characterized by renewal. After the slowdown of the past three years, world growth was expected to reach 3 per cent in 1994 and nearly 4 per cent in 1995, while inflation remained under control. It was significant that the recovery was not a mere cyclical upswing but rather the product of a deliberate and effectively coordinated effort on the part of the international community. The implementation of the measures proposed in a document on cooperation for sustained global expansion and growth issued by the Fund's Interim Committee had helped to increase growth. At its April meeting, the Interim Committee had welcomed that positive result. At the same time, it had noted that, beyond economic recovery, labour market reforms were needed in order to deal with high unemployment in many industrialized countries, particularly in Europe. The Interim Committee had adopted wide-ranging guidelines concerning the developing countries and economies in transition. Increasingly, its deliberations reflected an awareness that finance ministers and central bank governors must take globalization into account in order to deal with the phenomenon of the global unification of financial markets. That was a highly significant development, as the Interim Committee was the only forum that regularly brought together the world's highest financial authorities and in which representatives of developing countries and countries in transition actively participated. It provided a much broader opportunity for global economic policy cooperation than any grouping of industrialized countries.

Another aspect of the improved economic climate was the fact that the slowdown in industrial economies had not become a global recession largely because of the sustained growth in some 40 developing countries which had either persevered with structural adjustment or received regular technical assistance from IMF. Thus, in 1993, growth in the developing countries had exceeded 6 per cent and accounted for virtually the entire world growth rate of 2 1/4 per cent. Similarly, increased imports by developing countries had accounted for almost all the growth in world trade. Structural adjustment had ensured that their growth would be independent of the capricious economic swings of industrial economies. Of great significance was the fact that developing countries had represented about half the contributors to the recent replenishment of the resources of the IMF enhanced structural adjustment facility (ESAF). A number of those countries - for example, Argentina, Chile,

(Mr. Camdessus, IMF)

Mexico, Egypt, India, Pakistan and Bangladesh - had themselves been recipients of IMF aid or had struggled during the debt crisis. He believed that that redistribution of roles would become even more pronounced in the future. IMF was also deeply committed to assisting the economies in transition.

In late April, the Interim Committee had provided very clear guidelines on action to be taken in order to address the problems of the poorest countries, the countries in transition and the timid recovery in the industrial countries. The Executive Board war considering action to be taken on three fronts: the extension of access limits, an adaptation of the Fund's systemic transformation facility (STF) and an allocation of special drawing rights (SDRs). He had proposed a moderate allocation, amounting to SDR 36 billion (roughly, US$ 50 billion), which was equivalent to less than 10 per cent of the projected growth in demand for global reserves in the coming five years. His proposal enjoyed the strong support of a large majority of member countries. Moreover, there was no better investment for recovering the growth of the industrialized countries than vigorous international support for the development of the poorest countries and the countries in transition.

The vision of the founders of the United Nations system would continue to guide the international community for many years. There would be a need to carry out activities in an ever more globalized world economy, which would require a powerful centre for economic and monetary policy coordination, together with effective instruments to ensure cooperation in time of crisis. There must also be a commitment to balance-of-payments support, in which connection the Fund had a responsibility to make sure that the special drawing right served as the world's principal reserve asset.

On the subject of institutional cooperation within the United Nations system, it was important to recognize the growing interdependence of activities and the need to allocate tasks according to comparative advantage and the principle of subsidiarity. That should forestall the temptation to tackle at a world level those matters which could be dealt with at a regional or national level, and would also strengthen institutional mandates. A further issue was where to begin the immense task of the renewal of institutional cooperation, perhaps by defining a new architecture, or, preferably, by focusing on a common response to the most urgent problems. Only if there were a credible

(Mr. Camdessus, IMF)

demonstration of the effectiveness of cooperation could more ambitious architectures be proposed.

In seeking to improve the lot of the poorest the first priority was mutual support in the implementation of activities, which should be mutually enriching. The Fund had made an effort to increase its cooperation with the World Bank, as well as with the United Nations Development Programme and the International Labour Organization, in preparing social safety nets in various countries. Clearly much remained to be done to improve the functioning of the labour market and to promote dialogue between Governments, employers and employees.

The second priority was coordination in situations involving major humanitarian catastrophes, in which connection the United Nations had a leadership role in providing humanitarian relief and other economic assistance in post-conflict situations. There was a need for broad consultation, with inputs from all relevant agencies. In terms of immediate priorities, it was important to coordinate preparations for the upcoming population and social summits.

In a broader context, it would be scandalous if reduced military expenditure did not lead to an increase in official development assistance, since it must be understood that humanitarian and social expenditures were essential in promoting development and peace. The Development Assistance Committee had made valuable recommendations in that regard. Lastly, financial constraints could not be allowed to intimidate. Support must be provided for countries seeking to take their destinies into their own hands.

Mr. FORTIN (Officer-in-Charge of the United Nations Conference on Trade and Development) said that following a poor performance in 1993 the pace of economic development in the industrial world was expected to pick up. The recovery was strongest in the United States, and there were promising signs from some European countries and from Japan, but the overall rate of growth of the industrialized economies for 1994 was still expected to be only a modest 2.5 per cent. The serious problem of unemployment persisted, and it was not expected that growth would create enough jobs, with the possible exception of the United States where, in any event, there were likely to be difficulties relating to disparities between skilled and unskilled workers.

Indeed there were potential dangers that might completely halt recovery, among the most important being insufficient aggregate demand in the

(Mr. Fortin, UNCTAD)

industrialized economies. It was important for decision makers to be aware of the importance of heading off inflationary pressures. A second impediment to sustained recovery was the volatility of international capital markets. Continued pressure on the dollar would mute the transmission of growth impulses from the United States to other economies by reducing the import demand of that country, and could cause higher United States domestic interest rates. A word of caution concerning the prospects for recovery was thus in order.

In that connection the United Nations Conference on Trade and Development (UNCTAD) was looking into various policy options, including a proposal to establish an internationally uniform tax on foreign exchange transactions, which would reduce the post-tax profitability of currency speculation and, if the proceeds were paid into a development fund, would greatly assist development.

While it was true that most world growth in 1993 and 1994 had been generated by developing countries, it should be borne in mind that such growth had largely been attributable to some economies in East Asia and Latin America. In contrast, Africa and the least developed countries were, in per capita terms, regressing. Notwithstanding the many structural adjustment programmes in Africa, in the best circumstances only slow growth, reminiscent of the 1960s, was anticipated. That translated into the marginalization of important parts of the third world. For Latin America the most pressing question was whether capital inflows, which to some extent were explained by short-term interest differentials, could be maintained. Equally, the prospects for the transition economies were not promising.

While the problem of debt was over as far as banks were concerned, it was not from the viewpoint of developing countries. Although some debt reduction measures had been implemented, the Trinidad terms, resulting in a two-thirds reduction, should be adopted as a benchmark, with extensions as required. Without jeopardizing the preferred creditor status of multilateral financial institutions, the question of multilateral debt should also be looked at so as to afford relief to certain developing countries.

The Uruguay Round represented a milestone in international economic and trade relations since it would strengthen disciplines at the world level and cover such new areas as services and intellectual property. The institutional framework of the World Trade Organization, with an integrated dispute settlement mechanism, were important elements in that regard. The developing countries,

(Mr. Fortin, UNCTAD)

which had played a significant role in negotiating the Round and by making concessions, would benefit from a more rules-based trading system. Nevertheless some developing countries with preferential access to markets might face a substantial contraction in their policy options in adopting export-oriented adjustment policies. In general such countries would face more onerous international trading obligations.

The international community should establish a phased-in approach, as part of which it should be agreed that no country should be worse off as a result of the Uruguay Round. Further, significant efforts and technical assistance should be deployed to enable developing countries to take advantage of the changes and opportunities introduced by the Round and play a significant role in the continuing negotiations in such areas as financial services.

The agenda for development offered a broad framework for development cooperation. An essential element was that of interlinkages between the five dimensions posited in the agenda for development, as well as among sectors of the global economy. The United Nations, as the one organ of the system which could look at those linkages in an integrated manner, had an important role to play, while within the United Nations system UNCTAD had been identified as a focal point for the comprehensive treatment of development and related issues.

In that connection UNCTAD did not subscribe to the view that the United Nations should focus on humanitarian, relief, peace-keeping and social development initiatives, leaving development policy and development cooperation to other organizations. While some division of labour was possible, there was a certain value in a degree of pluralism in the formulation of policy in such contentious areas as structural adjustment. The United Nations, and UNCTAD in particular, also had an important role in consensus-building in respect of policy options. In further defining the functions of the World Trade Organization, both the United Nations and UNCTAD, with a wide range of intergovernmental machinery and secretariat mandates, would play important roles. In the context of the agenda for development UNCTAD would seek to strengthen its cooperation with the Bretton Woods institutions in pursuit of the best means of promoting development.

Mr. SEADE (Deputy Director-General of the General Agreement on Tariffs and Trade) said that the contribution of the multilateral trading system to development could not be considered in isolation from the importance attributed

Mr. Seade, GATT)

by developing countries themselves to international trade in their development objectives. Countries that promoted import substitution or central planning were not likely to be interested in the development of a liberal, rules-based trading system. It was, however, the case that many developing economies and most of the former centrally planned economies had embraced market-based strategies to promote their integration into world markets. For such countries the General Agreement on Tariffs and Trade had moved to centre stage, as evidenced by their unprecedented participation in the Uruguay Round. One significant aspect of the Round had been autonomous trade liberalization by the developing countries, which deserved credit for its successful conclusion and the scope of the agreement reached.

The three-year delay in concluding the Uruguay Round did not mean that a minimum package had been adopted. In fact the contrary was the case: a reduction of some 40 per cent in developed country tariffs on agricultural and industrial products had been negotiated, exceeding the original goal of one third. Further, market access had been secured by commitments not to increase tariffs, commitments which would cover most industrial and all agricultural products.

Of particular significance was the fact that trade in agricultural products and textiles would soon be brought under the aegis of the World Trade Organization and thus under the multilateral trading system, representing a marked shift away from past distortions and unfairness.

The across-the-board revision of GATT rules had particular significance for developing country exports in terms of competitiveness and finding new markets, as well as in the areas of services and intellectual property. Two related decisions had been taken: first, to institute a forum and mechanism for the implementation of the GATT rules, embodied in the future World Trade Organization, and second, to create a mechanism for their observance and for the settlement of disputes. The dispute settlement mechanisms of WTO would be automatic, and a consensus would be needed not to establish a panel to resolve a dispute.

It would be difficult to overestimate the importance of the success of the Uruguay Round. It would produce an increase in world income estimated at over $250 billion, and the impact of the improvement in developing countries' market access on world trade would probably amount to more than $700 billion by the

(Mr. Seade, GATT)

year 2005. The developing countries would be the major beneficiaries, since it would promote their exports, and its effect on trade opportunities and patterns was likely to enhance diversification.

The concern had been raised that the least developed countries would lose ground and that the gains from GATT would not be distributed evenly. Those gains, however, were usually obtained in relation to the quality of the reaction of individual countries to new situations. There would be challenges during the coming transition period, but the mistaken view that some countries would lose ground was based on a partial and selective analysis of the results. The probable increase in the import bill for net food importers had been taken into account in the Final Act of the Uruguay Round, and the global increase in agricultural prices would assist producers.

The margin of preferences under the generalized system of preferences would be reduced; pending further analysis, however, the impact on tariff escalation was encouraging. There was a movement away from dependence on primary commodities and towards value added and processed products.

International trade could only gain from the predictability provided by established rules. The success of the Uruguay Round was an affirmation that if policies were fair and right, no country was helpless. While not a panacea, it removed obstacles and created opportunities for fair participation in the international economy. Member States must ensure that the Marrakech Agreements entered into force as scheduled on 1 January 1995. Any delay would encourage protectionist groups determined to undermine the outcome of the Uruguay Round. The problems it addressed had become acute 10 years earlier, but before facing the new problems which had arisen in the meantime, those earlier problems must be resolved and the momentum of the Uruguay Round preserved. Representatives had a responsibility to avoid actions that would jeopardize ratification.

The agenda for the future of GATT would include work to improve market access for developing countries in service sectors such as finance and telecommunications; advancement of the relationship between trade and environment and the establishment of a committee on that topic; and designing a work programme for the World Trade Organization, which was likely to include some contentious issues. The main priority for the future would be to maintain an open, liberal and effective trading system. At the Marrakech meeting, the

(Mr. Seade, GATT)

finance ministers had singled out the interaction of trade, finance and monetary policy for further study, as well.

Exchange of views

Mr. MORRERO (United States of America) said that his Government noted with appreciation the progress made by the World Bank in defining new policies to ensure that development assistance became environmentally sustainable. The World Bank had developed considerable expertise in how best to incorporate environmental considerations in development planning. He would be interested to learn more about World Bank priorities for the implementation of the Global Environment Facility (GEF) and the interaction foreseen between the World Bank and the Commission on Sustainable Development.

Mr. PRESTON (President of the World Bank) said that organizational issues were currently preoccupying GEF staff. Close cooperation had been established between UNEP and UNDP, but the test of that cooperation would come through the implementation of projects themselves. Earlier experience indicated that the three organizations had worked well together, however. Cooperation with the Economic and Social Council was also part of the reporting process.

Mr. DERYCKE (Belgium) said that the United Nations system and the Bretton Woods institutions appeared to address different aspects of international trade and economic policy; the United Nations seemed to take more interest in a vision for policy, while the World Bank and IMF tended to concern themselves with practical aspects. The interaction of those two systems could be greatly improved, there being an almost total absence of coordination in the field.

He suggested that the liaison offices should be strengthened and given a substantive function, that the General Assembly's economic priorities should be established each year through consultation and that the finance ministers of Member States should be provided with more information on General Assembly and Economic and Social Council decisions in the areas of international trade and finance.

Mr. PRESTON (President of the World Bank) said that the impression of a lack of cooperation between IMF and the World Bank was incorrect. Those bodies had conducted joint visits in order to produce policy framework papers and had structured many of their programmes together, in addition to working closely at all levels. They also cooperated with UNDP resident representatives

(Mr. Preston, World Bank)

and donor countries. The difficulty with liaison lay in the fact that each organization had a country-specific strategy that must be coordinated on the ground. In most cases, such coordination was actually very good.

Mr. CAMDESSUS (Managing Director of the International Monetary Fund) said that IMF worked with the World Bank in some 70 countries and had conducted joint activities with UNDP in 30 countries. His organization was committed to "post-chaos" operations and was continuing its development assistance efforts in many areas where the United Nations was conducting peace-keeping operations. Efforts to provide more information to finance ministers on the work of the General Assembly and the Council could most effectively be conducted at the country level.

Mr. HENZE (Germany) said that all the speakers had emphasized the growing diversity among developing countries and the discrepancy in their development prospects. He asked whether the speakers believed that more account should be taken of that fact in the drafting of policy guidelines, and how the problem of multilateral debt might be addressed.

Mr. FORTIN (Officer-in-Charge of the United Nations Conference on Trade and Development) agreed that there was increased differentiation among developing countries in terms of their development opportunities and access to world markets, which called for a highly differentiated approach to development policies. Many structural adjustment programmes had been across-the-board, and had not been effective in all countries. A more disaggregated approach was needed in order to translate structural adjustment into concrete measures and a timetable for the resumption of growth.

Mr. CAMDESSUS (Managing Director of the International Monetary Fund) said, regarding multilateral debt, that five years earlier, that problem would not have been mentioned, but some progress had been made in that area. He agreed that the Trinidad terms should be applied to the fullest extent, but many of the aspects of the problem had been settled. Multilateral debt had originated exclusively because the Fund had taken the risk of lending to developing countries over the past 7 to 10 years, when no one else would do so.

In his view, rescheduling of the debt would not be appropriate because the Fund was a cooperative institution and its resources were revolving and monetary. It was financed by central banks which needed the assurance of the liquidity of their contributions. In the handful of cases of real hardship,

(Mr. Camdessus, IMF)

specific concessional financing should be offered so that a country could continue to develop despite its debt stock.

Mr. PRESTON (President of the World Bank) endorsed the statement by Mr. Fortin, adding that it was essential that multilateral financial institutions should maintain a positive net flow to the most heavily indebted countries. Those countries should gain access to more generous international development assistance repayment terms as quickly as possible. With regard to the preferred creditor status, it should be recognized that the World Bank was a cooperative institution and that all its members would suffer if international capital markets viewed the change of preferred creditor status in a negative way.

Mr. MATHISEN (Norway) said that the developing countries would require assistance in establishing national policies for intellectual property protection, in fulfilling commitments undertaken in the Uruguay Round and in promoting innovation in the area of trade and the environment at the national and international levels. He inquired how Mr. Fortin envisaged the division of labour and coordination between the World Trade Organization (WTO) and UNCTAD in the post-Uruguay Round trading environment and whether UNCTAD would remain a main provider of analytical work on trade opportunities.

Mr. SEADE (Deputy Director-General of the General Agreement on Tariffs and Trade) said that in addition to new areas, such as that of intellectual property legislation, which represented a major challenge to developing countries, there was an increased need for technical assistance which stemmed from greater participation by countries which were just beginning to understand the obligations and opportunities that resulted from increased interaction in international trade. Approximately 18 countries had acceded to GATT in the previous three years and 20 more countries were currently in the process of acceding. Those new accessions created an even greater need for assistance. With regard to the relationship between GATT and UNCTAD, he believed there was no simple dividing line and that some overlap was necessary in areas where additional resources were required. While UNCTAD should continue to perform more of the analytical work, GATT needed to strengthen its analytical capabilities. Greater coordination in the form of joint missions and exchanges of information between the two organizations should be established.

Mr. FORTIN (Officer in Charge of the United Nations Conference on Trade and Development) said that UNCTAD intended to play a major role in assisting the developing countries to take maximum advantage of the opportunities offered by the conclusion of the Uruguay Round. Through a special project on multilateral trade negotiations, UNCTAD had provided advisory assistance to the developing countries in their negotiations in the Uruguay Round and was currently adding a second phase to that project in response to requests from many of those countries. Moreover, UNCTAD had an ongoing mandate in the area of trade and the environment and was focusing attention on issues such as the internalization of environmental costs in the prices of commodities. In addition, it was involved in a joint programme with the United Nations Environment Programme (UNEP).

With respect to the division of labour, before engaging in negotiations with the World Trade Organization and entering into actual commitments, issues and policy options had to be identified and consensus on the framework and principles to guide those negotiations had to be achieved. In that regard, the role of UNCTAD was to prepare the ground for negotiations, rather than directly negotiate. While the World Trade Organization was devoted to establishing an open multilateral trading system, UNCTAD was responsible for providing a more specific developmental dimension to that system and for ascertaining the specific needs of the developing countries for assistance. Development would follow as countries became able to take advantage of the opportunities offered by an open and expanding multilateral trade system.

Mr. PANGALOS (Greece) said that the agenda for development had introduced a new integrated concept for development, which involved peace, economic growth, protection of the environment, social justice and democratic institutions. For that approach to be successful, it should draw on the comparative strength of the United Nations system. He wondered what measures could be adopted to ensure closer cooperation within the United Nations, and whether it might not be advisable for the international financial institutions to report to the Economic and Social Council on their activities related to the implementation of Agenda 21, adopted at the United Nations Conference on Environment and Development (UNCED).

Mr. FORTIN (Officer-in-Charge of the United Nations Conference on Trade and Development) agreed that the agenda for development attempted to place the question of development in a very broad context and that it covered the full

(Mr. Fortin, UNCTAD)

range of concerns of the United Nations and of the Bretton Woods institutions. Coordination and internal linkages had to be strengthened within the United Nations as a prerequisite to maximizing linkages with the Bretton Woods institutions. In that regard, the work of the Administrative Committee on Coordination (ACC) would be a useful vehicle for their work.

Mr. PRESTON (President of the World Bank) said that the World Bank, in particular its sustainable development and environmental departments, cooperated on a regular basis with various United Nations bodies.

Mr. DESAI (Under-Secretary-General for Policy Coordination and Sustainable Development) said the international financial institutions were fully engaged in an effort to coordinate the work of United Nations agencies in the follow-up to UNCED as effectively as they had in the preparations for that conference. The key to coordinating the various dimensions of development was to do so at the country level. Thus, an attempt to strengthen such coordination was under way not just in situations of crisis and conflict management, but in other areas as well. A certain amount of the responsibility for ensuring coordinated functioning lay with the Member States who were represented on the governing bodies of those institutions. The coordination of the United Nations system should be reflected in a shared definition of the roles of the different elements of that system.

Mr. HANSENNE (Director-General of the International Labour Organization) said that a large majority of countries in the world were experiencing an employment crisis, with regard to the quantity and type of new jobs and to the level of income those jobs generated. The employment crisis would be one of the central themes of the World Summit for Social Development and represented a serious threat to global stability and prosperity. During a recent meeting at the International Labour Organization, which brought together 108 labour ministers and employers and workers from throughout the world, a broad consensus had been reached in four essential areas. Firstly, all the participants had recognized that the future of employment was linked to the opening of new markets. Secondly, it was agreed that a more open world economy would be able to generate enough new jobs only if measures were adopted at the international level to stimulate growth. Sustained efforts were needed to coordinate macroeconomic policies, reduce the instability of exchange rates and develop credit on an international basis. Thirdly, all had agreed that

(Mr. Hansenne, ILO)

concerted action at the international level had to be accompanied by national policies aimed at increasing employment and promoting a stable macroeconomic climate. Investments should be encouraged in activities that generated jobs and increased the capacity of firms and workers to adapt to the needs of a changing economy. Finally, industry heads and labour ministers should play a key role in establishing employment policies.

The creation of jobs was not a simple matter and would not be resolved through simplistic solutions; it required concerted, broad-based action, both internationally and nationally, through the implementation of appropriate economic and social policies. In the framework of a new, more open world economy, which was also more exposed to market forces and technological changes, no country could resolve its problems alone. Thus, new forms of cooperation and intervention at the international level had to be devised so that the question of employment received the attention it deserved from the international community. The International Labour Organization was ready to play its role in achieving that objective.

The meeting rose at 1 p.m.

UNITED
NATIONS

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Economic and Social Council

PROVISIONAL

E/1994/SR.10
14 February 1994

ORIGINAL: ENGLISH

Substantive session of 1994

High-level segment

PROVISIONAL SUMMARY RECORD OF THE 10th MEETING

Held at Headquarters, New York,
on Monday, 27 June 1994, at 3 p.m.

President:	Mr. BUTLER	(Australia)
later:	Mr. DANGUE REWAKA (Vice-President)	(Gabon)
later:	Mr. BUTLER (President)	(Australia)

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The meeting was called to order at 3.20 p.m.

POLICY DIALOGUE AND DISCUSSION ON IMPORTANT DEVELOPMENTS IN THE WORLD ECONOMY AND INTERNATIONAL ECONOMIC COOPERATION WITH HEADS OF MULTILATERAL FINANCIAL AND TRADE INSTITUTIONS OF THE UNITED NATIONS SYSTEM (continued)

Mr. VIÑAS (European Union) said that he would welcome additional information on how the Bretton Woods institutions proposed to enhance cooperation both among themselves and with the new World Trade Organization. It would also be interesting to learn how such cooperation could improve the dialogue on the major issues facing the world economy, particularly the interrelationship between trade, financial and monetary policies.

Mr. SEADE (Deputy Director-General, General Agreement on Tariffs and Trade (GATT)) said that the need for greater coherence between trade, finance and monetary matters had long been recognized. Indeed, GATT had been requested in the Uruguay Round agreement to devise ways for the World Trade Organization to more systematically link those issues. There were three principal areas of concern. Firstly, policy-making across the spectrum of economic activities must be more coherent. International mechanisms for monitoring financial flows needed to be improved and linkages between trade policies and the instability of exchange regimes explored. Secondly, policy recommendations on structural adjustment programmes were required, particularly in the area of trade reform and market liberalization. Finally, he regretted that there was no agency with responsibility for the harmonization of policies. The Group of Seven currently played that role with only limited results. The concerns he had just raised were merely preoccupations and not specific recommendations for a programme of work.

Ms. DEGN (Denmark) said that the introductory presentations by the representatives of the international financial institutions should have been

made available in writing. She noted that structural adjustment programmes could have harsh effects on poor countries, especially when they demanded cuts in social spending, and wished to know how the World Bank proposed to protect the poor in the developing countries from such cuts.

Mr. ADAMS (World Bank) said that measures to protect the poor were now a key concern in the Bank's lending policies for structural adjustment purposes. More attention was being paid to social expenditures, including on education, in order to reduce poverty and to promote broad economic growth. The World Bank fully expected that the level of lending for social purposes would continue to increase in the years ahead.

Mr. KHURSHID (India) asked what proposals the International Monetary Fund (IMF) had for restoring stability to the international financial system in order to sustain world economic growth. Given the steady decline in the value of the United States dollar, he wondered if steps would be taken to establish an international bank of issue. He would also welcome information on the road ahead following the conclusion of the Uruguay Round of multilateral trade negotiations. He noted the apparent contest between multilateralism and bilateralism, the pressures on the social clauses agreed upon at Marrakesh, the continuing problems of trade in services, and the need for job creation, which was essential if the current economic recovery were to be sustained.

Mr. CAMDESSUS (Managing Director, International Monetary Fund (IMF)) said that he shared the concerns of the representative of India about the need to restore stability to international financial markets. The promotion of international financial cooperation and of exchange stability was an important part of the mandate of IMF. The current turbulence in international markets was attributable in part to the fact that the economic recovery in Europe and Japan had arrived earlier than the markets had predicted. That had led to a certain amount of volatility as investors in the global marketplace reacted by changing investment decisions. Since the recovery was without inflation and since Governments were honouring their

pledge to fight inflation and to maintain their structural adjustment programmes and thus broaden the basis of recovery, it could be said that, despite currency fluctuations, the world economy was fundamentally sounder than it had been in the past.

Much more still needed to be done, however, to stabilize the international monetary system. There must be no illusions on that score, since the experience of the European monetary system over the previous 15 years had shown that stability was the product of sound economic policies by individual countries and of overall efforts to keep inflation low. He welcomed the readiness of key players to accept the discipline needed to ensure that there was a convergence of international efforts to keep inflation at low levels.

Mr. SEADE (Deputy Directory General, General Agreement on Tariffs and Trade) said that he could not predict what would follow the establishment of the World Trade Organization. That would be for members to decide. Many of the problems in international trade were due to three sources of friction and instability: the inadequacy of the GATT rules in certain areas, such as dumping and the provision of subsidies; the omission from the agreements of agriculture and textiles, two sectors of great importance to the developing countries; and the omission of intellectual property and services from the Uruguay Round agreements.

Despite those problems, the trend towards multilateralism was likely to continue, although there would still be room for both bilateral and unilateral initiatives.

Whereas GATT had originally dealt primarily with tariff and non-tariff measures at the border it now also handled domestic issues such as subsidies. That evolution would continue as a result of the increasing globalization of the world economy. Contracting parties were focusing increasingly on policy-making in areas related to trade, particularly the environment; indeed, there was a mandate to expand dialogue on the environment which was now a major area of activity. Proposals had also been made to raise other issues

such as restrictive business practices and competition. Other topics, such as labour rights, a broader negotiation on labour mobility and migration, all highly contentious, had also been brought up at the Marrakesh meeting.

Mr. KHERBI (Observer for Algeria) said that the social, economic and political costs of structural adjustment programmes were still very high. Indeed, the international community must simultaneously solve the problems of unemployment in the North and structural adjustment in the South. Such problems must not be tackled from the narrow standpoint of market policies alone but rather within the broader framework of macroeconomic and long-term policies. Concerning interdependence, it was important to stress that world economic interdependence was not balanced. In that connection, he wondered whether the very high rate of world economic growth would translate into a reduction - or even closing - of the gap between the haves and have-nots by the end of the century. He expressed the hope that the representatives of the Bretton Woods institutions would react to the proposals made by the Secretary-General in "An Agenda for Development" for, unless the problem of international risks was dealt with it would not be possible to have a policy which guaranteed sustainable and stable development.

Mr. CAMDESSUS (Managing Director, International Monetary Fund), referring to the problem of unemployment in the North, said that for the past seven years he had been telling the industrialized countries that the only way of overcoming their short-term economic problems was by making their job market more flexible. The structural adjustment programmes implemented by the World Bank and IMF in the South were aimed at integrating structural, social and institution-building approaches into monetary and budgetary policies. It was encouraging to note that structural adjustment was now universally accepted. While structural adjustment programmes were extremely difficult and painful to apply, the 38 countries which had implemented them had managed to narrow the wealth gap between them and the North.

While structural adjustment entailed social, economic and political costs the latter should be viewed in perspective. Structural adjustment was

intended precisely to reduce economic costs in order to make economies grow faster. As for social costs, they were primarily found in those countries whose leaders refused to adopt and apply structural adjustment programmes. In the long term, implementation of sound structural adjustment policies would ensure vigorous economic growth and enable countries to meet their needs in such vital areas as education, health and basic infrastructure. The only way of dealing with the heightened international risk factor brought about by globalization was to implement sound policies in the most coordinated manner possible so as to ensure greater efficiency.

Mr. ADAMS (World Bank) said that one of the Bank's principal concerns was how to put together investment programmes that more effectively addressed the social needs of borrowing countries within the context of adjustment programmes. Reviewing the activities of the Bank aimed at improving the social sectors of countries of the South, he noted that, if properly designed, investments in those sectors would produce very high rates of return; indeed, effective social investment had been a feature of the countries that had done well on the economic front, such as those in South-East Asia. Efficiency was another major concern for the Bank and borrowing countries alike. As far as cooperation was concerned, there was extensive ongoing cooperation between the Bank and the United Nations community in implementing social sector programmes. The Bank had also done an extensive review on poverty and now published an annual report on poverty.

Mr. AWAAD (Egypt), referring to the statement by the Managing Director of IMF, said that it was necessary to get away from the image of developed countries as sole donors and developing countries as merely beneficiaries. While it was true that developed countries had the primary responsibility for mobilizing bilateral and multilateral financial resources, developing countries had made considerable efforts to mobilize resources, particularly for certain operational activities carried out by the United Nations Development Programme, which were based on shared responsibilities and shared burdens and in the context of the Global Environment Facility.

Referring to the statement of the representative of UNCTAD, he wondered what the consequences of the Uruguay Round would be on major net food importers and what action developing countries should take to mitigate the adverse impact of the Uruguay Round on them.

Mr. DANGUE REWAKE (Gabon), Vice-President, took the Chair.

Mr. FORTIN (United Nations Conference on Trade and Development) said that he agreed with the representative of Egypt that for some countries, particularly net food importers, the results of the Uruguay Round had had a short-term transitional negative effect. The matter had been taken into account in the Uruguay Round and in the relevant agreements and, while it was true that there had been no net losers, it was acknowledged that efforts should be made to minimize, or at least reduce, any losses.

Mr. BUTLER (Australia) resumed the Chair.

Mr. KUDRYAVTSEV (Russian Federation) said that his country appreciated the financial and technical assistance it received from international financial institutions, particularly the World Bank and the International Monetary Fund. However, the results achieved had not been commensurate with the level of investment, and cooperation between donor and recipient countries should be enhanced. Access of Member States to the resources of IMF should be increased along the lines indicated by the Managing Director of the Fund at the preceding meeting, thus paving the way for a new system of international drawing rights.

Cooperation between countries in transition and the international financial institutions should proceed at a stable pace during the coming four to five years, and support should be extended to the social sectors. Looking ahead to the post-transition period, his delegation believed that while it was encouraging that new avenues were being opened for increased world trade, additional countries should be able to join GATT more quickly and the new World Trade Organization should be as universal as possible.

MR. CAMDESSUS (Managing Director, International Monetary Fund) said that the task facing the international financial institutions in Russia

was formidable, given the dimension of the challenges there and the difficulty in identifying those challenges properly and addressing them quickly with the appropriate means. Some of the coordination problems among donors that had occurred earlier on had been ironed out, and it was recognized that further progress was needed in that regard.

Coordination problems on the recipient side relative to the need for well-established priorities had been identified and addressed; for example, a very comprehensive agreement with the Russian authorities and other contributors was now being implemented.

All forms of international support must be increased. The IMF contribution was only a limited part of the total package. The Fund hoped that at its annual meeting in October, it would be in a position to announce decisions with respect to an increase in its access limits.

On the question of a further allocation of special drawing rights (SDRs), he said that a consensus was near on the need to restore equity, given the fact that the 36 countries which had joined the Bretton Woods institutions since 1981 had never received an allocation. Another reason to encourage a consensus in favour of an SDR allocation was the desirability of complementing existing world reserves in view of the current state of the world economy.

Mr. ADAMS (World Bank), offering an overview of the Bank's efforts to provide a framework for longer-term growth in all the countries of the former Soviet Union, said that in addition to its efforts with respect to stabilization, the Bank was focusing on its traditional lending sectors. For example, major programmes were being developed in the energy, financial, transportation and agricultural sectors. In light of the upheavals in the social systems of the countries in transition as a result of the broad economic and political changes they were undergoing, the Bank recognized the need for increased resources for the social sectors.

The Bank and other donors were addressing three pervasive problems. First, there was a lack of suitable data on the economy, infrastructure and public expenditure in the countries of the former Soviet Union; accordingly,

efforts were being made to develop an appropriate data framework. Secondly, although the Governments concerned were committed to promoting dramatic changes in the economies of their countries, they had yet to develop the appropriate policies to support investments to that end. Thirdly, while the countries in transition had considerable capacity in terms of a well-educated population, they needed to build greater capacity for understanding the transition process and the system towards which the Governments wished to move. It also was essential to enhance their capacity to interact with the donor community. The input provided by experts from diverse national backgrounds must be coordinated in such a manner that the overall regulatory framework was consistent with the overall macroeconomic and sector policies of the Government concerned.

The special challenges of the countries of the former Soviet Union were an important test of the multilateral system and were receiving very high priority in all the institutions concerned.

Mr. SEADE (Deputy Director-General, General Agreement on Tariffs and Trade) said that there was general consensus among the contracting parties to GATT in favour of encouraging greater universality of membership. Such universality was desirable, first, because efforts to establish a framework for, and then regulate, the stability and free flow of world trade required that all trading partners be members of the system and, secondly, because it offered a means for non-member countries that were introducing open, market-oriented trade and economic policies to enjoy the benefits of the GATT legal system.

GATT provided technical assistance and training programmes to the countries in transition. Accession to membership in GATT must be gradual and must be pursued at a pace appropriate to each country. All in all, the process was proceeding satisfactorily. Recent proposals by the contracting parties to expedite the process would be examined carefully, bearing in mind the importance of avoiding simplistic approaches which ignored important

differences in the degree of contact with GATT already established by the countries concerned.

Mr. AYEWAH (Nigeria) recalled that IMF had prescribed structural adjustment programmes as a means of improving the economies of the African countries. However, in almost all cases, the results had been disappointing. He knew of no significant success story relating to such programmes. Instead, in macroeconomic terms, they had resulted in social and economic dislocations, with their implied hardships; a regression in capital formation; slow, if any, growth in the domestic economy; an outflow of resources and a virtual disincentive to external investment. Perhaps even more worrisome, a volatile foreign exchange market further fuelled domestic inflation and undermined the capacity of African countries for growth and development.

He therefore wished to know why IMF continued to tout structural adjustment programmes as a panacea for economic growth and development in the developing countries, particularly in Africa, the weakest link in the chain of global development. Finally, he wished to know what Africa really was doing wrong.

Mr. CAMDESSUS (Managing Director, International Monetary Fund) said that the description of the situation in Africa offered by the representative of Nigeria applied to situations in which structural adjustment had not begun, had been abandoned prematurely, or had been applied erratically. The purpose of structural adjustment was to re-establish a country's savings capacity in order to generate further investment. The process took time, particularly when it was launched after years of poor policies, poor governance and deteriorated terms of trade.

There were countries in Africa in which such policies had proved successful. Ghana was an outstanding example of a country that had reversed disruptive economic factors and was catching up with industrialized countries with regard to per capita income. Countries in which the initial phase of structural adjustment had brought dramatic changes included the United Republic of Tanzania, Uganda, Zambia and Ethiopia. Countries which applied

structural adjustment policies had established a stable monetary framework for growth, had a budget in place, gave priority to productive expenditures and avoided excessive government intervention. Thus far, countries which did not had yet to see an increase in savings or in foreign investment.

Mr. FORTIN (United Nations Conference on Trade and Development) said that he disagreed with the representative of Nigeria that there were no countries - in Africa or elsewhere - in which structural adjustment policies had resulted in increased growth, improved macroeconomic management and resumed investment. However, he did agree that there was no unequivocal positive correlation between structural adjustment programmes and the resumption of growth and investment. Other factors must be taken into account in determining whether such programmes were successful.

Mr. SOMAVIA (Chile) said that the exchange of views about structural adjustment showed that there was a desire for dialogue but that the United Nations and the Bretton Woods institutions had very different perceptions of structural adjustments. The United Nations, the only forum for the formulation of social policy at the world level, had a particular sensitivity to social matters, although it also had a mandate to consider economic aspects. The Bretton Woods institutions had a mandate to look at other dimensions of reality such as macroeconomic balances and monetary and financial stability. Unless that was recognized, any dialogue was bound to become an exercise in futility.

Over the past 15 years, human beings had been viewed too much in economic terms; if that situation continued, the political consequences would be overwhelming. Chile was often mentioned as an example of successful structural adjustment; however the human cost of the first stage of structural adjustment had simply been too high, and that had not been necessary; when political conditions had made it possible to do things differently, social concerns had been taken into account more fully. Chile was therefore entitled to say that there was no need to continue with the first generation of structural adjustment programmes; those programmes must disappear; in the

second generation of structural adjustment programmes the World Bank was giving priority to the elimination of poverty and showing greater concern for social aspects; however, he felt that it was necessary to move rapidly to a third generation and to find ways of combining structural adjustment with political sustainability.

In that situation, the only solution was dialogue, within countries and within the Bretton Woods institutions. Pluralism was essential; countries must be able to put forward different perceptions and views; such perceptions could not be totally wrong; there had to be a middle ground. There was no alternative to the need for understanding between the United Nations and the Bretton Woods institutions; and it should be borne in mind that the ultimate objective of all concerned was to improve the living conditions of the people.

He proposed that the Bretton Woods institutions and the United Nations should establish a joint task force report on structural adjustment every two years; it should also develop better social indicators and statistics so as to be able to evaluate the results of what was being done.

The technical cooperation system of the United Nations should be made available to countries which had to negotiate structural adjustment programmes; the United Nations should also assist countries in finding experts to implement such programmes. The President of the Council should meet the Chairman of the Development Committee of the Bretton Woods institutions so as to coordinate their agendas.

It was clear that the input of ministers of finance, labour and social development was needed when considering the problems of poverty and unemployment. He suggested that a seminar should be held to consider those issues with the ministers concerned, in the presence of United Nations bodies and the Bretton Woods institutions.

Mr. CAMDESSUS (Managing Director, International Monetary Fund) said that he was sure that the first stage of structural adjustment in Chile could have been more human; however, if it had been harsh, the blame should not be laid entirely on international financial institutions; ultimately the

decision in such matters was taken by the Government concerned; it had various options. Chile had shown the international community that it was possible to achieve economic adjustment with spectacular results along with a more human approach and the allocation of considerable resources for essential needs. He fully agreed that it was necessary to move into a third stage of structural adjustment, combining institutional, social, environmental and macroeconomic sustainabilities. In order to be successful, just as much financial rigour and fiscal rectitude was needed as before, but Governments needed to be able to integrate the social dimension more fully.

He fully agreed with the need for dialogue and understanding between the Bretton Woods institutions and the United Nations, and with the need to improve social indicators and to adopt a tripartite approach.

Mr. ADAMS (World Bank) said that it was clear that the World Bank and other donors must be prepared to listen to the problems faced by Governments and to work on them together. When Governments were not fully committed to undertaking the adjustments needed to make their economies reform and prosper, then the record of adjustment was much poorer.

Another dimension of the World Bank's work was South-South dialogue. A great deal of work was being done on building linkages between Governments that had implemented successful structural adjustment programmes and Governments which had been less successful. A ministry of finance of a successful country could make a much more direct and effective presentation than the World Bank or IMF.

The World Bank remained committed to joint work; it had made a major commitment to analytical work on the World Summit for Social Development and to preparations for the International Conference on Population and Development. It was true that in some economic areas there had been less interaction; if a framework could be built for better integration, it would be an asset to the World Bank's work on those programmes and to understanding some of the difficult decisions that were being faced.

There was a very close relationship between the development agenda and the issues coming up in the context of the Development Committee; its last meeting had been devoted to population and migration issues, as a direct input into the International Conference on Population and Development.

The World Bank's analysis of adjustment programmes in 1992 seemed to suggest that there was strong evidence of broad success across middle-income countries with structural adjustment programmes, especially in Asia and Latin America, but that problems were arising in Africa. As a result, a more thorough analysis had been carried out on six specific countries which had carried out strong adjustment programmes. That analysis seemed to suggest that those countries which had consistently pursued adjustment in Africa were more successful than those which had not, and that the adjustment was being sustained over time.

Mr. CUI Tiankai (China) said that almost all the representatives of institutions had referred to the economic problems faced by developing countries over the past several years and had drawn attention to the diversity of economic growth in developing countries. However, the economies of developing countries, whether their growth was fast or slow, were strongly affected by the international economic situation. There was little they could do about the economic situation around the world because they could not effectively participate in international policy-making on the international economy since that policy-making process was controlled by a very small number of countries. That situation was not compatible with the situation mentioned by the officials from the various institutions. He asked what they would propose to do.

Mr. CAMDESSUS (Managing Director, International Monetary Fund) said that the prevailing impression was that economic policy-making was in the hands of the industrialized countries and the rest of the world did not have a lot to add to their decisions. However, that had not been his experience. Within IMF, industrialized countries, developing countries and countries in transition made decisions by consensus. More and more was being heard from

developing countries, especially those which were now in a position to give lessons to the rest of the world and invite the industrialized countries to apply to themselves the lessons in structural adjustment they had earlier applied to developing countries. The developing countries, with their growing responsibilities within the world economy, must gain even more influence in world decision-making. He was gratified to see that they were making an increasing contribution to formulation of international strategies. More needed to be done; that was part of the ongoing process of structural adjustment of institutions; countries needed to adjust, and institutions needed to adjust, and that adjustment must reflect the new distribution of economic responsibilities in the world.

Mr. KABBAJ (Observer for Morocco) said that while the IMF figures for growth in developing countries in 1993 were encouraging, he wondered whether IMF believed that that phenomenon was sustainable, especially in view of the influence of economic movements in the industrialized countries.

Developing countries which had completed the first stage of adjustment still faced significant challenges and needed assistance from the international community. The main problem was unemployment, which remained high despite structural adjustment and economic growth. Those countries would maintain valid macroeconomic policies and encourage private investment, but the international community should seek mechanisms to resolve the problem, especially in respect of training since many young people, especially young graduates, were unable to find work, and if that situation persisted, successful policies would be threatened.

In the area of international trade, Morocco supported the GATT agreements reached at Marrakesh but felt that there was a need for trade to be carried out in good faith. Some trading partners were intensifying non-tariff barriers in trade, especially in areas such as agriculture and textiles in which the developing countries had an advantage. The international community must help in overcoming that problem.

Morocco was in favour of a strong environment policy; in recent years international assistance had not been in proportion to the needs. Net transfers to countries which had carried out adjustment were declining because donors tended to give to the countries in greatest need and it took time for private investment to take the place of official development assistance and for countries to establish their credibility in markets to which they had previously had no access. At the same time, such countries had to deal with debt-servicing and to develop infrastructure.

On the question of coordination between organizations within the United Nations system he agreed that each institution needed to use its comparative advantages. Moreover, it was better to focus on finding common ground and on solving the most urgent problems rather than on trying to establish new organizations.

Mr. AINSCOW (United Kingdom) said that his delegation would have preferred shorter presentations and more time for discussion. He noted that there was disagreement on whether enough assistance was being provided to the poorest groups. More data was needed on the country-level programmes implemented by both bilateral and multilateral donors, and coordination among concerned organizations at the operational level should be improved.

Mr. DESAI (Under-Secretary-General, Department for Policy Coordination and Sustainable Development) said that intergovernmental coordination was vital in order to ensure that the programmes of work of all United Nations bodies were consistent with each other. Programmes of work must also be consistent with national policies; the key issue was how well United Nations representatives worked under the guidance of the resident co-ordinator.

Mr. MAJID (Bangladesh) said that very few developing countries had recorded high growth rates in 1993. Official development assistance, which had been declining in recent years, must therefore be increased. With the assistance of IMF and the World Bank, Bangladesh had had some modest success with its structural adjustment programme although the process had been a

painful one; follow-up resources, however, had been inadequate. Greater emphasis should be placed on investments in the poorer countries. For its part, the World Bank should adopt a country-specific approach to its projects. Finally, inter-agency cooperation should be pursued at the policy level rather than at the country or operational level.

Mr. ADAMS (World Bank) said that the World Bank had recently agreed to discuss national assistance strategies with member Governments and to provide comprehensive analytic statements on the sectoral and lending activities in its programme proposals. That readiness to respond to the specific concerns of Governments was a welcome development at a time of increasing diversity in the views of Bank borrowers as to possible country-level strategies.

Mr. NORIGUCHI (Japan) said that creation of the supportive national environment that was necessary for sustained growth required a mechanism whereby developing countries could review the development policies of other developing countries. He wondered whether it would be possible to introduce such a review system in UNCTAD.

Mr. FORTIN (United Nations Conference on Trade and Development) said that such a system already existed in UNCTAD, although its coverage was not all that broad and concerned particular mandates of selected intergovernmental bodies. UNCTAD had received a mandate from the Trade and Development Board to establish a mechanism for facilitating the exchange of experiences among countries.

Mr. LOEIS (Indonesia) said that, given the large number of agencies involved, it was difficult to avoid duplication of efforts in the field of poverty eradication. However, since resources were limited, it was essential to improve coordination among concerned agencies in the area of policy formulation.

As for the implications of the conclusion of the Uruguay Round for the international economy, the creation of the World Trade Organization meant that

UNCTAD must develop greater capacity in the area of analysis and research and promote greater discussion on trade and development issues.

Mr. FORTIN (United Nations Conference on Trade and Development) said that UNCTAD had been urged by other intergovernmental bodies, and particularly by the Commission on Sustainable Development, to make a greater contribution to the work of the World Trade Organization in the field of policy analysis and research in order to consider policy options before negotiations were begun or agreements concluded. In the area of consensus building, the role of UNCTAD in the concert of international institutions concerned with trade would be enhanced by the creation of the World Trade Organization.

Mr. SEADE (Deputy Director-General, General Agreement on Tariffs and Trade) said that GATT and UNCTAD had common areas of work in the field of trade and development. UNCTAD, however, was more concerned with the analytic, prospective and normative aspects while GATT was concerned with the contractual and technical sides of issues. There was thus room for increased cooperation and an expansion of activity.

Mr. SYCHOU (Belarus) said that, as a representative of a country in transition, he would welcome assurances from the representatives of the trade and financial organizations of their readiness to give support to developing countries. There was need to streamline the mechanism for channelling United Nations technical assistance to countries in transition. He would also welcome information on whether UNCTAD could provide assistance in converting the military defence industry to civilian uses.

Mr. FORTIN (United Nations Conference on Trade and Development) said that UNCTAD had recently signed an agreement with the Commonwealth of Independent States to streamline existing technical cooperation initiatives and to pursue new ones financed, where possible, by UNDP.

On the question of assistance with the conversion of the defence industry, the Trade and Development Board had decided to establish an ad hoc working group to study the matter. Unfortunately, it had proven difficult to

agree on the terms of reference of the working group, since some States were concerned about the political aspects of its work. If no agreement was reached, a decision would be taken by the Trade and Development Board at a special session to be held in the fall of 1994.

The meeting rose at 6.45 p.m.

UNITED
NATIONS

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Economic and Social
Council

PROVISIONAL

E/1994/SR.11
6 July 1994
ENGLISH
ORIGINAL: SPANISH

1994 Substantive Session

High-level segment

SUMMARY RECORD OF THE 11TH MEETING

Held at Headquarters, New York,
on Tuesday, 28 June 1994, at 10 a.m.

President: Mr. BUTLER (Australia)

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AN AGENDA FOR DEVELOPMENT (continued)

Corrections to this record should be submitted in one of the working languages. They should be set forth in a memorandum and also incorporated in a copy of the record. They should be sent within one week of the date of this document to the Chief, Official Records Editing Section, Office of Conference Services, room DC2-794, 2 United Nations Plaza.

The meeting was called to order at 10.20 a.m.

AN AGENDA FOR DEVELOPMENT (continued) (A/48/935)

The PRESIDENT welcomed the Secretary-General to the high-level segment.

The SECRETARY-GENERAL said that he attached great importance to the initiative of the Agenda for Development, whose preparation was entering a new phase, especially because of the positive effects it could have on the lives of millions of people who currently suffered deprivation and distress. In the preface to the Agenda, he had emphasized that he had sought to gather the widest range of views on development-related issues, and thus had asked for submissions from all Member States, various agencies of the United Nations system and a number of public and private sources on a world-wide basis. Once again, he thanked all who had offered their valuable contributions to that exercise.

However, he continued to assume full responsibility for that text. That did not mean that it was a perfect and definitive document; its purpose was to provide a basis for general considerations on the development policy that the United Nations should pursue in order to meet the economic and social challenges before it.

He had followed closely the response, comments and suggestions which the document had already prompted, and was particularly grateful to those who had sent him their views in writing. It was his hope that the Agenda for Development would represent a collective effort involving all, and therefore, he hoped that he could continue to receive the support and collaboration of all in refining the conclusions and in presenting a set of practical recommendations.

He also took the opportunity to congratulate and thank the President of the General Assembly for having organized, a few weeks earlier, hearings on the Agenda for Development, which he had followed with the utmost attention. He also awaited with great interest the report of the President of the General Assembly on those hearings, and on the consultations which had taken place on the Agenda over the past few months.

(The Secretary-General)

The original approach taken by the President of the General Assembly had been particularly productive, and the ideas expressed during the consultations had led to stimulating and constructive exchanges of opinion. The favourable comments he had received regarding the general tone of those discussions suggested to him that many regretted that such encounters were not more frequent, and he agreed that more such meetings should be held in the future within the Organization.

Although it was difficult to summarize the various proposals regarding the Agenda for Development, with the material available a few conclusions could be outlined. First of all, it seemed that a consensus was emerging on what had been referred to as the five dimensions of development: peace, the economy, the environment, social justice and democracy. No doubt there could be varying opinions on the relative importance of each of those factors and on the order in which they should be arranged, but there was general agreement that development was a global phenomenon that could not be reduced to its economic dimension alone.

Within that general framework, everyone agreed that economic growth remained the engine of development. No doubt growth was not independent of peace, the environment, society and democracy, but qualitative changes in all those areas often demanded increased resources that only economic growth could generate.

The second element on which there appeared to be broad agreement was the ethical and moral perspective of development. The planet inherited from the generations which had gone before was being borrowed from the children of the future. There was a responsibility to future generations to ensure that the world they would inherit was more peaceful, more equitable, healthier, more human and more democratic than the one that currently existed. In brief, a new quality of life must be invented. That was a responsibility which fell on all strata of society, whether locally, nationally or globally.

Thirdly, all agreed that the time was ripe for an agenda for development, not only because of the momentous political changes that had occurred in the world in recent years, with the ending of East-West antagonism and the cold war, but also because the very notion of development had changed. On the one hand, the concept needed to be expanded, but it must also be realized that the responsibility for development should be understood more broadly. The number of

(The Secretary-General)

actors in development had grown and their roles had changed. Those factors forced the United Nations to take a new approach. All the social actors - Governments, private enterprise, communities, institutions and individuals - were constantly redefining their role and function, and periodically examining their conscience. It was high time for the United Nations to do the same. The fiftieth anniversary of the Organization must be an occasion to rethink and reinvent its policy towards economic and social development, and the agenda for development should help to meet that objective.

On that basis, he stressed the need to engage in some thinking about what could be called a new international development ethic. That ethic, which was also a peace ethic, could not be built overnight. It was the product of constant effort and would evolve over time. It was a long-term investment from which, individually and collectively, the world could only benefit. Too often in the world, and especially in the United Nations in recent years, it was necessary to tackle urgent problems at the expense of deep-seated problems. The proliferation of armed conflicts had required perhaps an excessive share of attention.

Precisely because of that cruel alternative between emergency and long-term solutions, the United Nations must study more carefully the link between peace and development. And, at the operational level, it must accept all the consequences of that thinking process. He was convinced that development was necessary to ensure peace in the long term, particularly in the modern world. The fact that a given situation did not appear to be urgent should not keep the United Nations from taking appropriate action. Therefore, all social actors must be convinced that development required a long-term approach rather than the stopgap responses often chosen by political decision-makers. If that effort succeeded in the long term, the need for emergency action would be reduced.

Global economic growth, which was the second dimension of development, seemed to be on better footing than in the past. Some third world countries, especially in Asia, had witnessed spectacular, unprecedented development. Nevertheless, such situations were much too limited and were far from being universal.

Once again, the great outsider in terms of development was still Africa, where a majority of the adult population was worse off economically than the

(The Secretary-General)

preceding generation. Unfortunately, unless vigorous, radical measures were taken immediately, the same would be true of future generations.

Lastly, he stressed the social dimension of that development ethic. In the Agenda for Development, he had already stated that it was one of the essential dimensions of the issue.

It was well known that development was primarily concerned with human beings. Admittedly, considerable progress had been made, but its benefits were far from being equally distributed. That had brought with it intolerable manifestations of exclusion and marginalization that had in some cases challenged the cohesion of social structures, a theme that would be at the core of the deliberations at the World Summit for Social Development in Copenhagen in March 1995.

In the meantime, in the Agenda, he had strongly emphasized the fact that development was only truly meaningful when it was undertaken in a spirit of concern for a more just and equitable sharing of burdens and rewards. For the same reason, democratic values and the participation of all citizens were the essential elements of development. He was deeply convinced that the development process had to be accompanied by the espousal of democratic principles if it were to have meaning and an objective that went beyond the mere accumulation of wealth. As was well known, enormous advances were still to be made in that regard.

The application of certain concepts set forth in the Agenda should make it possible to press on and identify specific approaches that could make development a concrete reality world wide. It was necessary to take advantage of the present special moment to ponder the real meaning of development, the new mechanisms to be established and the new courses of action to be embarked upon.

In the context of the debate in which he had sought to engage in the Agenda, he felt that priority attention had to be given those groups that currently lacked one or another of the dimensions of development. It was first of all necessary to respond to the concerns of the neediest and to meet the needs of the world's underprivileged.

He would be fully receptive and attentive to all comments and criticisms, and hoped that with everyone's collaboration it would be possible to formulate programmes that would ensure that the Agenda for Development would become a part of the everyday life of mankind.

(The Secretary-General)

He had undertaken to present his conclusions and recommendations on the Agenda for Development during the next session of the General Assembly. He was relying heavily on the Council to help him fulfil that commitment. On the basis of the oral and written suggestions and proposals put forward by Member States, as well as on the basis of the report of the President of the General Assembly, he intended to submit an addendum to the document to be submitted to the Assembly at its forthcoming session.

He made three points by way of conclusion. Firstly, it was necessary to be aware of the fact that there were no miracle remedies. Development had been spoken of for four or five decades, so a few months would hardly be sufficient time to elaborate a new development model. Secondly, it was necessary to avoid considering development in simplified terms. Ensuring understanding of the complexity of the very concept of development, and of its content, was the chief objective of the Agenda. All parties had made errors in that field. Development had been viewed as transferring the Western model of production and consumption to the underdeveloped countries. Then it had been approached in the context of countermodels. The limitations of all those policies could now be seen. Thus it was not a question of proposing a new development model, but rather a set of guidelines, suggestions and incentives.

Moreover, and thirdly, there was such a wide range of economic and social situations at the national and regional levels that conclusions had to be presented with the greatest caution.

That should not limit inventiveness: the United Nations should play an important, if not a fundamental, role in global and sustainable development. He was also convinced that the United Nations, with the support of the Member States, had the ability to do so.

Mr. INSANALLY (Guyana), President of the General Assembly, said that when the President of the Economic and Social Council had asked him to speak to the Economic and Social Council on the Agenda for Development, he had hesitated to accept. During the previous months, he had organized broad-based consultations on An Agenda for Development, including the World Hearings on Development held three weeks previously. However, he was still reflecting on the wide variety of views expressed and distilling the summary that the General Assembly had mandated him to present to the Secretary-General. It therefore seemed to him inappropriate to speak at great length on his findings.

(Mr. Insanally, Guyana)

He would instead simply offer a few observations that he had made during the consultations and Hearings that, although not exhaustive, would nevertheless be indicative of the wide range of issues addressed, which constituted some of the main elements that should be taken into account in the elaboration of any agenda for development.

The first was that market-driven globalization was an increasingly important development affecting all countries, directly or indirectly, positively or negatively. That trend seemed to be an irreversible reality. From the policy point of view, one of its major consequences was the erosion of the ability of Governments to determine economic or social outcomes. Non-State actors were becoming increasingly decisive. Manufacturing and production now occurred in great trans-border networks, with the flow of financial capital and labour also taking place in unprecedented ways. With the addition to that of concerns for the environment and health as factors in global affairs, the need to widen the range of participants in any dialogue became an imperative, at international as well as national levels.

A second observation was that development had to be, above all else, people-centred. It had to involve broad participation and empowerment of people, particularly women. Self-help was a key ingredient for successful development, but transnational cooperation and assistance, governmental and non-governmental, remained necessary to support indigenous efforts. Such a notion of people-centred development must inevitably include a greater investment in human resources; to that end, many of the Expert Witnesses who had testified had suggested that education, health and welfare provisions should be accorded the highest priority in all societies, along with the provision of official development assistance. An agenda for development had to seek to further enhance the framework for international cooperation in these areas.

A third conclusion concerned peace, security and development, which were inter-related and mutually reinforcing. Conditions of peace were essential for long-term development. On the other hand, lack of development, poverty and unemployment could breed social conflicts and political instability. Arms production and sales needed to be restrained, with the members of the Security Council, particularly the Permanent Five, showing the way, and by regional bodies monitoring arms flows at the regional level and with some confidence-

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building measures that would help to promote their members' efforts towards peaceful development.

A fourth conclusion that he inferred from the Hearings and consultations was that the market could be an efficient instrument for development and that the State and the market could be mutually supportive. However, Governments still had to play a key strategic role in providing physical and social infrastructure and sound macroeconomic management to create an enabling environment for the private sector.

A fifth observation was that although market-driven forces were rapidly increasing the supply of capital and facilitating development in a limited - albeit growing - number of developing countries, the levels, quality and impact of official development assistance remained a cause of concern. Perhaps the time had come for development financing to be achieved in more innovative ways, recognizing the necessity for stronger forms of official commitments, even statutory ones, but also treating with the role of the private sector and other actors in creating a true partnership for development.

A sixth observation was that a more comprehensive and cooperative solution to the overall official debt problem, particularly of the least-developed and African countries, was critical and urgent, as debt-servicing difficulties constituted a major constraint on economic growth and development.

His seventh observation was that with respect to trade, allowances had to be made for low-income commodity exporting countries, particularly in Africa, whose probable net gain from the outcome of the Uruguay Round was negative or in some cases nil.

Lastly, his consultations had underscored the conviction that an environment for better management of global macroeconomic policy was required that took seriously into account the interests of poor as well as rich countries and that the concept of interdependence among nations must underpin any agenda for global development.

Perhaps the current problem lay in trying to define the role of the United Nations and its relevance in international development cooperation. Much of the criticism that had been levelled at the United Nations had been focused on the General Assembly and the Economic and Social Council, and participants in the consultations had repeatedly asked what the role of the United Nations should be in the various proposals for enhancing world development. In his opinion, there

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was a lack of clarity in that regard and it was becoming increasingly clear that the main actors in development were operating outside the United Nations system.

The fact that the development agenda was fading at the expense of the peace and security agenda was because the United Nations was accepted as the relevant body that dealt with peace and security; that was not so in the case of development. That was why an agenda for development should seek to establish the appropriate role of the United Nations in international development cooperation and identify ways and means of harmonizing and coordinating the interdependence between peace and development and the manner in which those issues were dealt with by Governments and the United Nations.

Finally, participants in the consultations had unanimously expressed the view that an agenda for development would not be a meaningful document if it did not propose radical reforms in the United Nations system, whose structure and functioning would otherwise become increasingly outdated and ineffective.

Mr. LAMAMRA (Algeria), speaking on behalf of the Group of 77 and China, said that the intention in proposing an agenda for development was to ensure that the United Nations once again gave priority to issues of development and international cooperation. That objective was now more relevant than ever before: it was based on the provisions of the Charter and on the imperatives of the world economic and social situation. At a recent special ministerial meeting of the Group of 77, special attention had been devoted to the initiative, on which a declaration had been adopted.

In his opinion, the current debate should come up with well-defined guidelines to encourage the Secretary-General to submit to the forty-ninth session of the General Assembly a revised version of his report on an agenda for development that could lead to action and to the adoption of concrete measures.

Referring to the participation of the Group of 77 and China in the debate on the issue, he noted that an agenda for development must be based on the principle that there could be no peace without development. The international community and the United Nations must not abandon their concern for economic and social problems in order to deal exclusively with crisis management. Perhaps, after all, preventive development was even more promising than preventive diplomacy.

It was crucial to ensure that instead of wasting time on redefining development, the debate focused more on finding pragmatic solutions to

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challenges such as how to eradicate poverty, meet the basic needs of the population, create jobs for all, provide universal education, train women and ensure their advancement.

Development implied sustained economic growth capable of generating financial, institutional and technological resources that were the pillars of development. An agenda for development must consider the adverse consequences of structural adjustment programmes, which often sacrificed social priorities. The international economic environment was also a crucial factor for the success or failure of developing countries' efforts. The expectations generated by the United Nations Conference on Environment and Development, which was to have marked a new point of departure for international cooperation, had not been fulfilled. For its part, the successful conclusion of the Uruguay Round of multilateral trade negotiations was a unique event which must be used to improve the access of developing country exports to the markets of developed countries. In that regard, new forms of protectionism in the guise of social or environmental provisions must be avoided.

An agenda for development should give pride of place to strengthening the scientific and technological capacity of developing countries and providing for mechanisms and means of ensuring the effective transfer of technology to developing countries. Other means of mobilization and action were the support of the international community for South-South cooperation activities and the enhancement of regional and subregional integration initiatives of developing countries. That type of agenda could also stimulate more concrete responses to the problems of Africa.

Ultimately, the success of an agenda for development depended on the role of the United Nations and the resumption of the North-South dialogue. The agenda should serve as a catalyst for improving the coordination of the United Nations system as a whole, including the Bretton Woods institutions, and for defining more precisely the functions of the agencies and programmes. The most important thing was that the definition of an agenda for development was linked to the problem of international economic relations and the need to democratize international relations.

Finally, he pointed out that the agenda for development could serve as the starting-point for reactivation of the North-South dialogue through genuine and

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equitable participation of developing and developed countries. The United Nations would thus be able to play a more credible role.

Mr. PANGALOS (Greece), speaking on behalf of the European Union, said that the Secretary-General's report was a good basis for discussion, although it did not provide the essential guidance to Governments, international agencies and the United Nations itself as to how to address the so-called development crisis.

The new agenda for development must reflect the new political and economic realities. At the same time, it should include development priorities such as the reduction of world poverty, and focus attention on sustainable human development, enhance economic cooperation through association for sustainable growth within a stable world economy and, finally, give priority to the problems of least developed countries, especially in Africa.

The European Union endorsed the five dimensions of development mentioned in the World Hearings on Development relating to peace, the economy, the mechanisms of progress, justice, democracy and the role of the United Nations.

Concerning the first dimension, the combination of challenges and opportunities the modern world offered made it possible to build a safe, sound and equitable world economy based on cooperation. For their part, world events had wide-ranging and different consequences for all countries, and in the opinion of the European Union, the aim of an agenda for development should be to offer ideas on what development should be in a world in transition and, in particular, on the future role of the United Nations.

In discussing the agenda for development, it should be recalled that in adopting Agenda 21, the international community had agreed on a plan for sustainable development. There appeared to be a consensus on the need to assign a high priority to such aspects as the reduction of poverty and hunger, the development of human resources, institutional development and the improvement of population policies. In that connection, it was vital for the Cairo Conference to generate a programme of action.

With regard to justice, the design and implementation of social policies was essential to promoting equal opportunity for all members of society. Social policies should give priority to the most vulnerable groups; women's participation in all areas of society must be promoted, and unemployment must be fought both at the national level and through international cooperation.

(Mr. Pangalos, Greece)

There could be no sustainable human development without democracy and, accordingly, without respect for human rights. Recognition should be given to the link between democracy, development and human rights that had emerged from the Vienna Conference, as it was the basis for efforts by international and national organizations to promote progress in the field of human rights, pluralism and democratization.

The United Nations should respond more effectively to the new challenges of development; in that connection, it had the advantage of being able to adopt a coherent approach to the interaction between peace and development. The effectiveness of the General Assembly's political role in the dialogue on development and of the monitoring functions of the Economic and Social Council should be enhanced. The Agenda for Development should also envisage ways to promote better cooperation within the United Nations, including the specialized agencies and the Bretton Woods institutions.

The political consensus must be strengthened so as to enhance cooperation and action in specialized forums. Member States should demonstrate their willingness to deal with development issues while fully acknowledging the inseparability of world peace and international development. Thus, the role of the United Nations should be envisaged in the broader context of what governments viewed as the priority objectives to be pursued through development cooperation. The agenda for development should include specific proposals for strengthening the coordination of and the focal point for United Nations development activities, without impairing the capacity to meet the specific needs of various developing countries.

Lastly, in the view of the European Union, at a time when the world had changed radically and the political and economic situation was continuing to evolve rapidly, development must be envisaged from a different point of view. The United Nations needed to adapt to new realities: if the Agenda for Development was to be operative, the role of the United Nations in development must be reactivated.

The Secretary-General withdrew.

Mr. CHAN (Canada) stressed the importance of the debate on an agenda for development initiated by the Secretary-General, since there was currently a need to develop a new, broad focus on meeting needs in that area. The new context for development, which was very different from that of nearly 50 years

(Mr. Chan, Canada)

earlier, when the founders of the United Nations had set the objective of creating a world order based on peace and economic and social progress, required an evaluation of the experience gained, as well as the setting of priorities.

In recent years, information about the United Nations had been centred on the Organization's role in crisis situations; it was unfortunate that discussions of development focused on the cost and on the inefficiency of the United Nations system. The opinion of the average citizen was that the economic and social system of the United Nations was unmanageable - in other words, that it did not function as a system. It was understandable that the United Nations should have been compelled to focus its efforts on security, emergency assistance and peace-keeping operations. However, in view of the difficult world situation, it was necessary to deal with the real causes of instability. Only through sustainable human development could progress towards a stable and democratic society be ensured, as noted by the Secretary-General in his report entitled "An agenda for development".

Canada believed that it was essential to examine the economic and social system of the United Nations on the basis of the following elements. First, the document entitled "An agenda for development" was timely, in view of the need to follow up the results of the Rio Summit, the Vienna Conference and the preparatory work for the conferences to be held in Cairo, Copenhagen, Beijing and Ankara. Secondly, while that document included basic elements of the broad concept of development, greater emphasis could be placed on some critical areas of social policies, such as the role of culture, population issues and women in development. Social progress was essential to sustainable development, for without it, economic development was incomplete and fragile. It was to be hoped that the concept of sustainable human development would be defined with greater precision. As noted by the Secretary-General in his report, solving the debt problem, sufficient access for all to the world trading system and good governance were among the issues to be faced by both developed and developing countries and were prerequisites for the success of all development strategies. While those issues had been considered before, they still required an efficient response. Thirdly, and perhaps most importantly, "An agenda for development" was essential for reordering the Organization's priorities. Only when clear priorities had been established could agreement be reached on a coherent

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programme of action and a division of labour aimed at strengthening the institutions of the system.

There was general agreement on the need to achieve sustainable human development and on the basic nature of the social dimension of development in terms of United Nations activities aimed at meeting the basic needs of individuals, alleviating poverty and enhancing human capabilities. Those concepts must be integrated into the operational priorities of the United Nations system.

Canada had participated in the efforts to reform the United Nations and had supported the preparation of "An agenda for development" at every stage. In accordance with Canadian proposals, "An agenda for development" should constitute a framework for formulating development policies, considering ways of improving the role of the United Nations and its relationship to the Bretton Woods institutions, and suggesting ways for the United Nations system and the international community to cooperate in carrying out the proposals. The Economic and Social Council, on the basis of the broad mandate conferred on it by the Charter of the United Nations, could play a valuable role in coordinating and designing policies within the United Nations system once the priorities and means of achieving them had been established. The work of the Economic and Social Council and its subsidiary bodies should be examined on the basis of the comparative advantages of the United Nations system, including the specialized agencies, the regional and functional commissions, the Bretton Woods institutions and the new World Trade Organization. There was a need to define in practice the scope of those comparative advantages, and to determine which part of the system needed overhauling, should that prove necessary, as well as the optimal method of collecting data and putting an end to competition between the Secretariat, the specialized agencies, the World Bank and the United Nations Development Programme (UNDP) for technical assistance projects; such projects should be executed through bilateral cooperation or by non-governmental organizations.

Canada believed that two further chapters should be included in "An agenda for development": first, a rigorous analysis of the comparative advantages in development of the economic and social system of the United Nations, the Bretton Woods institutions, the specialized agencies, the General Agreement on Tariffs

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and Trade (GATT) and the World Trade Organization, and secondly, a new vision of the United Nations system, geared to promoting sustainable human development, which would serve as a frame of reference for national policies and as a source of inspiration for international cooperation. "An agenda for development" would help to enhance the role of the United Nations in development only if it included a broader vision of the future.

Mr. MARTIN (France) expressed full support for the statement delivered by the representative of Greece on behalf of the European Union and said that 50 years after the establishment of the United Nations and the conclusion of the Bretton Woods agreements, the strategy for development and the role of the United Nations in that connection must be considered. The report of the Secretary-General, which covered five dimensions of development, formed a preliminary basis for defining that strategy. Of particular importance were the relationship between peace and development, the desirable symmetry between "An agenda for peace" and "An agenda for development", and the promotion of social concerns and environmental protection. A new concept must be elaborated on the basis of a global, shared vision of development, and on the basis of genuine cooperation in development activities, which would reflect the profound changes the developing world had experienced in recent years and the growing economic gap among the countries of the South. On the one hand, there was the rapid development of some of those countries, which enabled them to participate in the international economy and, on the other hand, there was the marginalization of the poorest countries, particularly in sub-Saharan Africa, despite the assistance provided. More than ever, priority must be accorded to providing assistance to the least developed countries and, in particular, to the most disadvantaged strata. South-South cooperation must be stepped up, and, at the same time, the developed countries must forge a new commitment regarding assistance between those countries that were actually developing and those countries which remained on the sidelines of development. The developed countries must honour their obligations to finance development activities as part of their duty to show solidarity.

Since one of the basic conditions for development was the mobilization of the domestic resources of the countries of the South, the international community must provide assistance on a regular basis. In that connection, France had reaffirmed its goal of allocating 0.7 per cent of its gross national

(Mr. Martin, France)

product to development assistance between now and the year 2000. Since French development assistance had increased by 40 per cent in real terms in the past 13 years, it was very close to achieving that goal. France was fully aware of the burden which debt represented for the least developed countries. It had therefore forgiven the debt owed it by the 39 poorest countries, and it accorded priority to the question of the debt of the developing countries.

Economic progress could not be achieved without democracy. While, historically and geographically, the democracy had taken various forms, its spread enhanced the capacity to handle conflicts, reduce social divisiveness, ensure the sound management of public affairs and promote human resources and the full participation of women in development. Every effort must be made to ensure that the rule of law was established as the culmination of a necessarily gradual process.

Population growth and the local pressures that accompanied it, particularly in cases of international migration and large-scale urbanization, were key factors in development and should be accorded high priority in "An agenda for development".

The globalization of international relations and the liberalization of the economy and world trade illustrated the variety of elements which comprised development. In view of the importance acquired by regional organizations, local communities, businesses and non-governmental organizations, the role of the State and the private sector should be reassessed. "An agenda for development" must reflect that diversity and spell out each party's contribution. The State's obligations to regulate market forces must not be underestimated.

In his delegation's view, the document entitled "An agenda for development", submitted by the Secretary-General, was a preliminary document. To its credit, the document clearly outlined the problems that would have to be addressed by a strategy for development for the year 2000. "An agenda for development" was far from being the operational document - at once theoretical and policy-setting - advocated during the previous session of the General Assembly. A genuine United Nations programme of action must be drawn up.

His delegation wished to recall the French proposal that the document should have four main functions. First, it must create an international consensus, in particular with respect to the human, social and environmental

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aspects of development, with the United Nations acting as the main forum for universal negotiation. Second, it should constitute an exercise in analysis and evaluation in order to define the conceptual framework for United Nations action on the basis of the Organizations authoritative international position. Such activities were an essential part of a long-term vision and the capacity to plan and evaluate development. Third, it should ensure coordination in order to elaborate more global and more integrated policies, for example through closer links between peace-keeping, humanitarian assistance, rehabilitation, reconstruction and development, in order to ensure an effective division of labour among government, intergovernmental, semi-public and private development agents and to establish balanced cooperation among the various United Nations bodies and specialized agencies and consistency with the international financial institutions and world trade organizations. Lastly, it should seek to enhance the effectiveness of field programmes through the reform of UNDP, with particular emphasis on human development and sustainable development activities and, more generally, the decentralization of programmes. It was to be hoped that those elements would contribute to the elaboration of "An agenda for development" that would be a genuine complement to "An agenda for peace".

Mr. ATWOOD (United States of America) commended the work of the Secretary-General on "An agenda for development", which built onto "An agenda for peace" and would help to address the causes of conflict. It was to be hoped that action would be taken on those documents in order to translate the concept of preventive diplomacy and development into reality. The initiative could not be more timely or more necessary, given the new international dynamic. Fundamental issues of peace and war flowed from failures of political, economic and social development. And yet development issues were not yet given the attention they warranted - at great human and monetary cost.

The international community was currently at a crossroads. If it chose the wrong path, crisis situations would grow worse and the risk of anarchy would set in. Conscious of that danger, it must therefore forge new commitments, new approaches and new machinery.

Although the "Agenda for development" should be a central focus and measures should be taken to strengthen it, the most important objective was for the international community to understand that the document could be a crucial

(Mr. Atwood, United States)

weapon in combating chaos. The importance of promoting the cause of preventive diplomacy, whose foundation was a commitment to sustainable development, must be stressed.

The United States believed that several essential elements of the Agenda for Development should be articulated with force and clarity. First was the acknowledgement of the threat, both strategic and mortal, that stemmed from the difficulty of the task to be accomplished. Current crises were increasingly complex and costly. Treating the symptoms of those crises prevented Governments from investing in the prevention of new crises, and attacking their root causes. In 1993, the United Nations had spent more money on peace-keeping than in the previous 45 years. Although that was a legitimate and necessary expense, more preventive measures must be taken in order to reduce the possible outbreaks of crisis. The United States had doubled its expenditure for disaster assistance since 1990. Moreover, it allocated more than 80 per cent of its emergency assistance to cases involving conflict, although they represented only one quarter of all cases requiring a response. That was a formula for disaster, especially in times of increasingly scarce resources. According to the Development Assistance Committee of OECD, contributions by the international community to official development assistance had fallen by 7.8 per cent in 1993. The Agenda for Development must stress the connection between development and the international interests of every nation. If preventive diplomacy was accorded the serious consideration it deserved, development would cease to be its adjunct and would begin to occupy a more central position. Sustainable development was inextricably linked to national security and global peace.

The international community as a whole must take the necessary measures to construct a diplomacy of crisis prevention, and the Agenda for Development should be the standard in that area. Through the Agenda, the concept must be conveyed of the continuum from crisis to development, from chaos to growth, from national disasters and conflicts to the prevention of conflict and its resolution, in addition to peace-keeping activities, food and aid to refugees, arrangements for transition and recovery and long-term sustainable development. Each stage of the transition had characteristic needs, and the way in which they related to each other must be examined and concrete methods developed to address them. The acute needs surrounding natural disasters were, in particular,

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advance planning, crisis mitigation, assistance to refugees, food aid and general assistance activities. The particular requirements of the post-crisis transition period were peace-keeping, mine clearance, institutional strengthening, economic stabilization, reintegration of combatants, resumption of government services and repatriation of refugees and displaced persons. The long-term needs of sustainable development included the strengthening of democracy, requirements in the areas of population and health, environmental protection and support for broad-based economic growth.

President Clinton's Initiative for the Horn of Africa was an example of that approach. Famine currently threatened 20 million people in that region. That was an example of a complex crisis which had not resulted from a failed crop or from political conflict, but from deficient development, poor planning, short-sighted leadership and disempowerment. The famine early warning system had been the tool used to mitigate the crisis. A regional strategy must be developed that would encompass both recovery and development needs in order to be able to prevent widespread hunger in the region. It was hoped that the Initiative for the Horn of Africa could serve as a model for the international community in responding to regional crises. In order to avoid a cycle of conflict and crisis, the international community must attack the underlying causes and seek long-term solutions.

Cooperation in emergencies was imperative, but it was not enough. In the Agenda for Development, the participation of Member States should be encouraged in all stages of the development process, through interaction not only between Governments, but also between social groups. Effective development must flow from the people to the Government and not from the Government to the people. An Agenda for Development must encourage the participation of everyday citizens, not only experts. Only thus would the development process be placed on a solid, long-term and sustainable foundation.

His delegation celebrated the information age and the enhanced contacts and associations that brought people closer together must be celebrated. The proliferation of non-governmental organizations and the networks they were creating was also encouraging. Even as they represented a challenge to current concepts of sovereignty, they were also creating favourable conditions for peace, stability and an expanded appreciation of democracy.

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(Mr. Atwood, United States)

Preventive diplomacy must begin with improvement in the lives of women. The United States believed that the status of women was the best indicator of whether a society could survive crises and achieve growth. The particular needs of women were usually forgotten or neglected. The report of the Secretary-General did not pay enough attention to the situation of women, viewing it as an adjunct to development and not one of its main objectives. No agenda for development or national growth process could succeed if it failed to address the needs of half of the population.

At the World Summit for Social Development, the World Conference on Women and the International Conference on Population and Development, the United States would attempt to determine whether the international community was preparing an effective response to the problems of development in the post-cold war world. Those international meetings would no doubt provide useful opportunities to share ideas, broaden cooperation and lay the foundations for action. But their true utility would be determined by the deeds that followed.

Willingness to seek solutions in partnership with the developing countries would be one indicator of progress. Another would be activities to follow up the resolutions and decisions that had been adopted with such good intentions. In that respect, the great hopes and promise of the United Nations Conference on Environment and Development should not be allowed to be lost through inaction and lack of implementation. Agenda 21 remained a useful framework for development cooperation.

A half century earlier, in times of hope and fears, another generation had established the United Nations, with the healthy conceit and the ambitious purpose of remaking the world. The current generation had inherited those hopes for a better future. But it could not focus on current world problems with the vision of that earlier generation, it must build on the past to construct a new vision, a new Charter, a new commitment, a new plan of action. The dreams of the founders of the United Nations must be reformulated. The new plan of action must embody the best values, the noblest dreams and the most ambitious aspirations. The 6 billion human beings inhabiting the planet deserved an agenda for development that communicated optimism and promoted that commitment to the endeavour. Hunger was not inevitable; genocide was not inevitable; poverty was not inevitable. But neither were economic growth and democracy.

(Mr. Atwood, United States)

Neither were progress and peace. The Agenda for Development must express the hopes and expectations of the world.

Mrs. DEGN (Denmark) said it was gratifying that development was once again at the top of the United Nations agenda. Just as Agenda 21 had led to discussions for a more active role for the United Nations in peacemaking and peace-keeping, it was to be hoped that the Agenda for Development would inspire an equally important discussion of the role of the United Nations in development.

"An Agenda for Development" would enhance the global awareness of development problems, and help with the rethinking of development policies. Although peace was rightly said to be a foundation for development, it was also true that, in the long run, peace could not be ensured unless development was achieved. Although the nuclear threat had weakened, it had been replaced by the equally frightening threat of the social and ecological bomb.

In attempting to revitalize United Nations development activities, it was necessary to bear in mind two essential aspects: coordination and priority. After examination of the broad analysis contained in the report, it was appropriate to underline the importance of determining carefully what body should be responsible for putting it into practice, and how and when each activity should be carried out.

The leading principle of global development activities should be poverty orientation. Alleviating the plight of victims of hunger and poverty was the task that should be given topmost priority. To eradicate poverty, it was necessary for many forces to work together; first of all, Governments and parliaments must create a climate fostering initiative and investment, thereby facilitating sustainable economic growth. Such an enabling climate would also include a healthy and well-educated workforce, and systems of solidarity caring for those groups unable to earn an income.

Sustainable development was built on such factors as political freedom and democratic and accountable institutions, as well as economic growth. In that respect, particular attention should be given to the countries of Africa and their concrete needs. In the case of Africa, it was necessary to formulate a long-term development strategy. As part of that strategy, a broad policy focus should be applied to trade, indebtedness, and development assistance. At the same time, more attention should be given to the social consequences of

(Mrs. Degn, Denmark)

structural adjustment, whose short-term negative consequences should be alleviated.

Finally, in defining future poverty-oriented development efforts, three issues should be given particular attention: the role of women in development; the environment; and the promotion of good governance and human rights. Emphasis should be given to women's interests and specific needs; the final text of An Agenda for Development to be presented to the General Assembly should include a better analysis of matters concerning the role of women in the development process.

Experience had shown human rights, democracy and development to be mutually reinforcing. International cooperation in that area could be particularly effective with regard to the holding of free and fair elections, the demobilization of men in the armed forces and their reintegration into civilian work, and also in institution-building. It was on that basis that Denmark targeted its development assistance to those countries that made considered efforts to strengthen the rule of law and good governance.

Visions for future development should include concrete proposals for action. An Agenda for Development should be a blueprint that decision makers could act upon. She therefore strongly urged that, before the draft was presented to the General Assembly, a forward-looking and action-oriented approach should be incorporated into the report.

An Agenda for Development was an important document in the context of the Copenhagen World Summit for Social Development. Regarding the application of new approaches to the social dimension of development, An Agenda for Development should guide the Summit in its deliberations regarding the possibility of combining social conscience with the traditional economic approaches to development policies. The United Nations, its specialized agencies and the Bretton Woods institutions, as well as non-governmental organizations, would play a crucial role in the formulation and application of the conclusions of the Copenhagen summit. Denmark therefore urged the close involvement of all interested parties, including non-governmental organizations, in the further elaboration of An Agenda for Development.

Mr. CISSE (Senegal) said the main points of his Government's point of view on An Agenda for Development had been covered in the statement made by the

(Mr. Cisse, Senegal)

representative of Algeria on behalf of the Group of 77 and China. He would therefore confine himself to emphasizing a few practical matters.

The changes that had taken place in the world since 1989 had given rise to hopes for a new form of international partnership, contributing to durable economic growth and sustainable development in third world countries. Favourable conditions for international cooperation had however been endangered by a resurgence of ethnic and religious conflicts, the emergence in various places of micronationalist movements, and an increase in xenophobia. Those scourges had contributed dangerously to the undermining of the unity and stability of many States. At the same time, poverty had worsened in many countries, especially in sub-Saharan Africa.

The formulation of An Agenda for Development was of vital importance to the achievement of a new world consensus whose principal aim would be to implement existing resolutions, agreements and policies in the area of international economic cooperation, and to the promotion of the role of the United Nations in that field. In that respect, Agenda 21 presented an integrated focus on the development problem which was widely accepted at the highest political levels. For that reason, An Agenda for Development should be considered as more than a document for negotiation; it was a framework for the application of obligations, especially financial obligations, entered into in Agenda 21 and other agreements. In particular, the formulation of an agenda for development must take account of the results of the various world conferences planned for 1994 and 1995.

The fundamental concept upon which An Agenda for Development should be based was that development was closely linked to economic growth and to the equitable distribution of the benefits derived from that growth, on the basis, of course, of the principles of justice, equality and social responsibility. It was necessary to achieve a strong international consensus and a new form of partnership for development, based on a world economy in which much account was taken of the principle of the comparative advantages offered by the gradual but effective integration of developing countries into international commercial and financial systems. To that end a non-discriminatory international trading system must be set up in order to ensure equality of opportunity for all States, beginning with the elimination of protectionist measures.

(Mr. Cisse, Senegal)

However, in that regard it must be noted that preferential treatment should be given to developing countries and efforts should be made to ensure greater equity in the distribution of international financial resources. Senegal welcomed the conclusion of the Uruguay Round of multilateral trade negotiations, although those negotiations had not taken into account all the concerns of developing countries, especially African countries.

Moreover, since there was no single development model that could be applied to all situations, An Agenda for Development should create propitious conditions for the establishment of a new type of world relationship based on the political realities and specific problems of each continent. In that regard, it should be recalled that in order to achieve development in the 1990s and in the decade thereafter, Africa would require a considerable increase in external funding as well as new debt relief measures and a greater share of international trade. Without development, Africa would have no peace and without peace in Africa there would be neither peace nor security in the world.

Mr. FLORES OLEA (Mexico) noted that the agenda for development submitted by the Secretary-General constituted a basis for continuing in-depth discussions on that issue and expressed the hope that it would soon be possible to submit practical and operational proposals that gave new content to deliberations and decisions. The entire United Nations system had a great responsibility in that area.

While Mexico recognized that there were close links between peace, security and economic development, it was averse to establishing hierarchies on the basis of which development was perceived as dependent on the maintenance of international peace and security. Development and cooperation were valid in themselves and were in fact priority objectives of the international community. The international community's most important goal was the comprehensive development of the human being and society as a whole.

Mexico agreed with the Secretary-General that the agenda for development should be considered as a basic tool for coordinating development activities. It should contain a synthesis of all intergovernment agreements reached by various forums and serve as a basis for fulfilling the commitments they contained.

In that regard, Mexico wished to reiterate the appeal made to the United Nations system, including the Bretton Woods institutions, to make bold efforts

(Mr. Flores Olea, Mexico)

in order to coordinate and pool material and intellectual resources so as to further the advancement of mankind. While it was crucial to maintain peace, individuals, peoples and nations were today calling for better living conditions, better health, better nutrition, better housing, a cleaner environment, recognition of women's role in society, more education and culture, and better technical and vocational training. That herculean effort was necessary not only to meet legitimate demands that had either been put off or had never been addressed but also to guarantee lasting peace and stability among nations.

The agenda being drawn up should be comprehensive and include issues of the traditional development agenda as well as new topics. It should also help to promote multilateral cooperation, avoiding unnecessary duplication, and foster a universal dialogue so as to revitalize the purposes and principles of the Charter of the United Nations taking into account the challenges and needs of the modern world, especially the needs of developing countries, which were hardest hit by poverty.

The agenda should cover all the dimensions of development and therefore required the efforts and cooperation of the entire United Nations system. The diagnosis of each of the topics in An Agenda for Development should be accompanied by measures to be applied by countries, the international community and agencies of the United Nations system and should include an implementation timetable and follow-up mechanisms for the commitments and measures agreed upon. The agenda should also promote better ties between the United Nations and the International Monetary Fund, the World Bank and the future World Trade Organization.

Development should be based on a structural approach and on a deliberate policy of redistribution of wealth, because crises and conflicts could be avoided only through the establishment of appropriate social and economic conditions.

Recent experience had demonstrated that the operation of market forces did not of itself necessarily guarantee economic growth and an improvement in the living conditions of the people. It was crucial to seek solutions that reconciled growth with the equitable distribution of wealth and with the values of a pluralist and democratic society.

(Mr. Flores Olea, Mexico)

At the same time, new mechanisms must be agreed upon for revitalizing international cooperation, the globalization of production processes and markets and increased interdependence must be matched by a global approach to development issues, with responsibility being shared between international agencies and nations, taking into account the differences between countries and addressing the needs of the least developed countries on a priority basis.

An Agenda for Development should ensure that the measures undertaken by the United Nations system were coherent and consistent, since they were inspired by the common aim of achieving progress and sustainable development based on justice for all countries.

Mr. RAMÍREZ BOETTNER (Paraguay) said that in the current interdependent world, development called for international cooperation in order to promote, in accordance with the Charter of the United Nations, solutions to problems of an economic, social, cultural and humanitarian character as well as respect for human rights and for fundamental freedoms for all. Development meant eradicating poverty, illiteracy, hunger and preventable diseases that decimated populations. The advancement of mankind would strengthen peace and prevent the desperation and discontent which often led to violence. The United Nations was the prime agency of international technical cooperation for development, and since its inception had played a crucial role in the fulfilment of those objectives; however, the methods of such cooperation must be tailored to modern times, on the basis of the experience gained, in order to enhance their efficiency.

Development called for economic advancement and increased availability of resources to meet social goals that all aspired to, as well as international cooperation in the technical and financial spheres. The United Nations system should play a more central role in international cooperation, because of its impartiality and because its sole aim was to improve the economic and social well-being of developing countries. The allocation of resources among programmes and projects by the United Nations was unbalanced: in particular, the share allocated to the Latin American region in particular, was unfair.

Development was a basic responsibility of countries, although experience demonstrated that the cooperation of the United Nations system constituted a fundamental element in providing guidance and in the adoption of new technologies. The United Nations system must be strengthened in order to

(Mr. Ramírez Boettner, Paraguay)

improve programming flexibility, so as to adjust cooperation to the needs of each country without imposing models, while keeping in mind the differences between countries and regions and their varying needs. The wise recommendations of the Jackson Report, which remained valid despite the changing situation, should be borne in mind in that connection. Moreover, the coordination of United Nations agencies in the implementation of programmes and projects must be improved.

Given the ongoing globalization of economies and the emergence of new problems, cooperation had to become more creative. New problems such as drug trafficking had to be eliminated through a joint effort on the part of the developed and the developing countries. More flexibility was needed in the trading system, with emphasis on freedom of trade; the Uruguay Round constituted a first step in that regard.

As another means of promoting development, his Government was carrying out an intensive campaign against corruption both in the public administration and in private enterprise in order to prevent the illicit use of national funds.

Development had to follow a more comprehensive criterion, based primarily on education, without which improvement in health, job creation and the quality of national production would be difficult to attain. Education had also to absorb and communicate scientific knowledge of new technologies in order to accelerate the growth of developing countries.

Improvement was also needed in the relationship between technical and financial cooperation, so that the flow of investments would follow the technical cooperation undertaken in different fields. Financing had to be carried out more rapidly and with less bureaucratic inefficiency, and there was a need to create new sources of support for production processes, finance small- and medium-sized enterprises, and resolve the job shortage. The problem of unemployment was linked to that of inordinate population growth in developing countries. It was to be hoped that solutions would be arrived at during the upcoming Cairo Conference that would permit immoderate population growth to be restrained and the problems to which it gave rise avoided.

His delegation strongly supported the concept of sustained and sustainable development that protected the environment without impeding progress.

Since 1989, Paraguay had been striving to re-establish democracy and preserve all freedoms through a substantial reform of its institutions, with the

(Mr. Ramírez Boettner, Paraguay)

goal of accelerating economic and social development. It was fulfilling the high principles of the United Nations with absolute respect for human rights, while seeking the greatest well-being for its people. Those efforts had to be backed up by the cooperation of the international community, particularly with the landlocked countries which needed more opportunities to counteract their disadvantages.

Mr. DIOUF (Director General of the Food and Agriculture Organization of the United Nations) said that a development programme had to give priority to the rural population, as they represented more than half of the world's population and almost two thirds of that of the developing world.

Food security was an indispensable element of human security, inasmuch as history showed that political stability and social progress were incompatible with hunger. Furthermore, agriculture in general depended on the natural resource base. As noted in the findings of the Rio de Janeiro Conference and of the Uruguay Round of multilateral trade negotiations held in Morocco, world action on behalf of durable and equitable systems of production and consumption had to assign broad importance to agriculture.

Of course, providing food security for all was a complex task. Projections indicated that malnutrition would remain high in developing countries, and that the net food deficit in those countries would continue to increase. Despite that fact, the assistance provided by multilateral and bilateral bodies had diminished.

To free countries from the most pressing problems related to the lack of food security, development results must be markedly improved in the context of a policy of poverty reduction and more equitable distribution of benefits. First and foremost, Governments would have to meet that challenge, but the international community had also to lend them the necessary assistance. In that respect, he stressed the support of the FAO Council for his proposals to revitalize the work of the organization and make it more effective, which were based on the principles of reordering priorities, decentralization, rationalization of operational activities, increasing efficiency and reduction of the cost of the modalities of action.

In future, the emphasis would be placed on the need to increase food production and productivity by means of a special programme of support for low-income countries, and priority would be given to the countries of Africa.

(Mr. Diouf)

The organization's work would however not yield the hoped-for results without active collaboration with other organizations. For that reason, he had adopted a variety of initiatives to strengthen and broaden FAO cooperation with the agencies and bodies of the United Nations system, other intergovernmental and non-governmental institutions, and the private sector.

An Agenda for Development had to assign to food security the importance it deserved as the foundation of the biological and ethical integrity of mankind. In that respect, he noted that an ever-growing portion of official development assistance was currently being devoted to crisis situations and emergency aid, whereas crisis prevention and the solution of structural problems were much less costly and more lasting in their impact than emergency interventions and the maintenance of a state of dependency.

In his opinion, it was incumbent on the Economic and Social Council to ensure that the potential of the United Nations system, the specialized agencies and the financial institutions was used efficiently and coherently in dealing with the problems of development. It was necessary to promote concrete and efficient aid that would translate into an improvement in the situation of the poorest people on the planet.

The PRESIDENT noted that at the conclusion of the present part of the high-level session he would be preparing conclusions in which the recommendations that participants wished to formulate could be incorporated. In his opinion, it was the time to move from words to actions. He recalled that the Secretary-General, the President of the General Assembly and many speakers had pointed out that the United Nations system was not functioning effectively, and that proposals for concrete change were needed.

The meeting rose at 12.55 p.m.